

**Erie Municipal Airport
Erie, Colorado**

**Final Project Report & Recommendations
September 2009**



Prepared for



Note:

This document has been prepared by Boyd Group International for the exclusive use of the Town of Erie, Colorado.

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September 2009

Table of Contents

1. PROJECT SCOPE	7
Project Scope	7
Erie Airport Economic Study Area	8
Summary of Research & Analyses Conducted	9
<i>Study Area Tour</i>	9
<i>Public Meetings</i>	9
<i>Individual Interviews</i>	9
<i>Reference Documents and Materials</i>	9
Acknowledgements	10
2. EXECUTIVE SUMMARY	11
The Economic Opportunity	11
<i>A Viable General Aviation Airport</i>	11
<i>Community-Friendly</i>	11
<i>Right Place. Right Time.</i>	12
Immediate Challenges	12
<i>Airport Management, Administration & Planning</i>	12
<i>Maximizing Revenue Streams</i>	12
Future Development	12
<i>On-Airport</i>	13
3. CURRENT ASSESSMENT OF STUDY AREA	14
Erie Municipal Airport	14
<i>Airfield Configuration</i>	15
<i>Airport Facilities & Property Description (Including Immediately Adjacent)</i>	15
<i>Landside Airport Infrastructure</i>	16
<i>Land Available for Development on Current Airport Property</i>	17
<i>Coal Creek Floodplain</i>	17
Public Perceptions of Erie Municipal Airport	19
<i>Community Input During Airport Open House Events</i>	19
<i>Survey Response Data</i>	20
Through-the-Fence Revenues	23
<i>Overview</i>	23
<i>Residential Through-the-Fence</i>	23
Airport Adjacent Study Area	24

Overview	25
Discussion of Land in Adjacent Study Area	25
Infrastructure Connectivity: Critical	27
4. RECOMMENDED DEVELOPMENT PLAN	28
Overview	28
Runway 9-27 Recommendation	28
<i>Recap: Runway 9-27 Current Condition and Earlier Alternatives</i>	30
<i>Operational Benefits Associated with Reopening Runway 9-27</i>	31
<i>Cost-Benefit Analysis Related to Runway 9-27 Reopening</i>	31
<i>Availability of FAA and CDOT Funds</i>	32
<i>Redevelopment Options Related to Runway 9-27</i>	33
FBO Terminal Building Options	35
Expansion of FBO Apron Area	37
<i>Recommended Development</i>	37
<i>Cost-Benefit Analysis</i>	38
Airport Business Park	39
<i>Recommended Development</i>	40
<i>Target Businesses & Industries</i>	41
<i>Prospective Tenants for Airport Business Park</i>	44
<i>Coordination with Trail System</i>	44
<i>Development Alternatives</i>	44
<i>Cost-Benefit Analysis</i>	46
<i>Coal Creek Crossing</i>	47
Vehicular Airport Access	48
<i>Airport Access Recommendations</i>	49
Recommended Development Targets for Adjacent Study Area	50
Other Infrastructure Enhancements at Erie Municipal Airport	51
<i>Airport Restaurant</i>	52
<i>Hotel</i>	52
<i>Rental Car Services</i>	53
<i>FBO Courtesy Car</i>	53
<i>Colorado National Golf Club</i>	53
Incorporating the Airport into the Erie Community	55
<i>Signage</i>	55
<i>Increased Community Interaction with Airport</i>	55
<i>Communication Plan</i>	56
<i>Enhanced Internet Presence</i>	56
5. AIRPORT ENTERPRISE FUND	58
Traffic Base at Erie Municipal Airport	58
Historical Airport Enterprise Fund Analysis	59
<i>Overview</i>	59

<i>Airport Revenue Streams</i>	59
<i>Changes in Airport Revenue</i>	60
<i>Airport Operating Expenses</i>	61
Airport Management	62
<i>Current Management Structure</i>	63
<i>Preferred Plan: Partnership with Private Airport Development Company</i>	64
<i>Alternative Plan: Hybrid of Current Management Structure</i>	67
Projections for Airport Enterprise Fund	67
6. FUNDING SOURCES FOR DEVELOPMENT	70
Introduction	70
Airport Specific Grants & Loans	70
<i>FAA Airport Improvement Program (AIP) Grants</i>	70
<i>Colorado Department of Transportation</i>	71
<i>State of Colorado, State Infrastructure Bank (SIB) Loan Program</i>	71
Grants & Loans Targeting Adjacent Study Area	71
<i>Federal Economic Development Administration (EDA) Public Infrastructure Assistance</i>	71
<i>State of Colorado Private Activity Bond (PAB) Financing</i>	72
<i>Community Development Block Grants (CDBG)</i>	72
<i>ALTERNATIVE: Special Taxing District</i>	73
Economic Development Incentives	73
<i>Aviation Development Zone (ADZ)</i>	73
7. SUCCESS MEASUREMENT & METRICS	74
Airport Revenue Streams	74
Job-Creation	74
Economic Impact Measurements	75
8. IMPLEMENTATION PLAN	76
Airport Management Firm RFP	76
Promote Highway 7 Frontage for Hotel Development	77
Airport Layout Plan Adjustments	77
On Airport Improvements	77

APPENDICES**79**

Appendix A: Survey Forms & Responses

Appendix B: Prospective Airport Business Park Tenants

Appendix C: Potential Airport Business Park Development Companies

1. Project Scope

Project Scope

The Town of Erie, Colorado engaged Boyd Group International to develop an Airport Economic Development Study for the Erie Municipal Airport. The overall objective of this Study was to identify development and employment opportunities at and around Erie Municipal Airport that are compatible with current Airport operations and overall economic objectives of the Town of Erie, and which would enable the Airport Enterprise Fund to operate in a self-sustaining manner and generate maximum economic benefit to entire town.

The key components of the Study can be summarized as follows:

- Assessment of property, infrastructure (current and needed improvements), and facilities at Erie Municipal Airport, including the currently-closed Runway 9-27, to identify economic development opportunities that represent the highest and best use, and are compatible with current Airport operations and the overall economic objectives of the Town of Erie.
- Assessment of land surrounding the Erie Municipal Airport, including current infrastructure and needed improvements, as defined in the Airport Economic Development Study Area ("Study Area") to identify economic development potential that is compatible with both the Erie Municipal Airport and complimentary to the existing economic base and objectives of the Town of Erie.
- Identify potential sources of funding for infrastructure improvements needed to implement economic development opportunities in the Study Area.
- Develop a plan for the Airport Enterprise Fund to become a self-sustaining entity on a long-term basis, including projections under various revenue and expense scenarios, and analyze options for efficient and effective management of Erie Municipal Airport.

From the outset it is important to underscore that Boyd Group International considers itself a supporter of general aviation and believes that with effective planning and professional management most (but certainly not all) airports can be self-sustaining and have a positive economic impact on the local community.

We also pride ourselves in telling it like it is based on the data and analyses, including that listed above. We see no value either to the Airport or the wider community in proposing plans or strategies which are not grounded in economic reality or have little chance of success. As a result, the findings and recommendations in this Study are based on an analytical approach to the data and information available and represent what Boyd Group

International believes is the realistic approach to achieving the stated objectives.

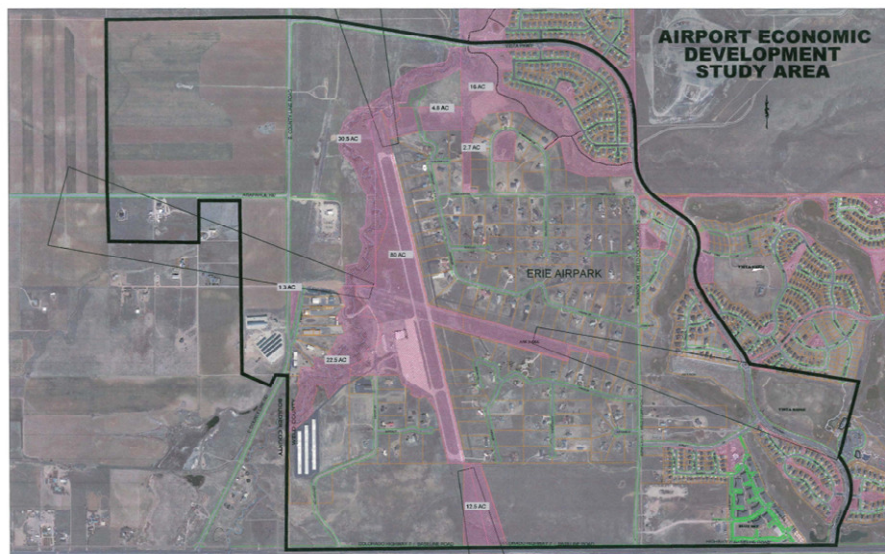
We also recognize that approach makes it virtually impossible to fully satisfy everyone with an interest in a specific airport. Erie is no exception, and over the course of our analyses it was clear that while many in the community held strong opinions about the Airport the underlying concern was advancing the Airport and maximizing benefits to the entire community. In this context, we consider Erie very fortunate. Divergence of opinions occurs on the specifics, such as how the Airport should be run today, what it should look like in the future, and how to get it there.

Boyd Group International believes that the demonstrated level of interest places Erie Municipal Airport and indeed the entire town in a very fortunate position. We hope that the findings and recommendations in this Study can help shape a collective vision for the Airport that all can share and work toward.

Erie Airport Economic Study Area

The Study Area for the analyses contained herein was determined by the Town of Erie in the project Request for Proposals and is illustrated on Figure 1.1.¹ The Study Area is bounded by a thick black line and areas shaded in pink represent land owned by the Town of Erie, including Erie Municipal Airport.

Figure 1.1 – Airport Economic Development Study Area



¹ RFP for Town of Erie Airport Economic Development Study (Administration #2009-02)

The Study Area boundaries are effectively State Highway 7 on the south, County Line Road on the west, and Vista Parkway on the east and north.² Within these boundaries are a total of approximately 1,380 acres, including the 115 acres that comprise Erie Municipal Airport. This acreage is a mix of Airport, Residential, and Industrial and Commercial zoned property.

The Study Area also represents the Airport Overlay District ("Airport Influence Zone") of Erie Municipal Airport, including public and private land beneath the Airport Approach Surface Zones and Runway Protection Zones.³

Summary of Research & Analyses Conducted

Research and activity undertaken for the Study included the following:

Study Area Tour

On June 16, 2009, Boyd Group International toured much of the Airport Economic Development Study Area. This included the Erie Municipal Airport property (FBO facilities, ramp areas, fuel farm facility, hangars, and Runway 9-27), the residential area known as Erie Air Park (including taxiway easements), and much of the property east of County Line Road and north of State Highway 7.

Public Meetings

Two Airport Open House events were held – July 9 and 11, 2009 – to provide an outline of the project scope and solicit input related to current operations and the types of economic development that the community would like to see on and around Erie Municipal Airport.

Community input was collected verbally during these events, and supplemented with information collected on survey forms distributed during each event, as well online via the Town of Erie of website.

Individual Interviews

Boyd Group International conducted one-on-one meetings and telephone interviews with businesses operating on Airport and adjacent to the Airport (i.e., "Through the Fence"). A meeting was also held with the Colorado Department of Transportation – Division of Aeronautics and input was received from other sources, including residents of the Erie Air Park.

Reference Documents and Materials

Numerous documents (over 1,200 pages) and reference materials were utilized to complete the analyses for this Study, including but not limited to the following:

² The northwest corner of the Study Area extends west of County Line Road.

³ Approach Surface Zones are illustrated on Figure 1.1 as conical shape areas extending from each runway and bordered with thin black lines. Portions of the Approach Surface Zones extend outside the Study Area, and in fact, outside the Town of Erie.

- **Reference List:** The complete reference list as provided in the Town of Erie Airport Economic Development Study Request for Proposals.⁴
- **Other Airports:** Boyd Group International reviewed the economic development strategies and business plans for other general aviation airports with the aim of identifying strategies and techniques that have worked successfully elsewhere and which may be applicable to Erie Municipal Airport. It is important to understand that no two airports are exactly the same and variables such as proximity to major metropolitan area, regional economics, existing infrastructure, airfield capabilities (runway bearing strength and length, available services, precision approaches, etc.), and available land for development all play a role in determining the portability of specific concepts.
- **Other Documents:** Industry trade journals, Federal Aviation Regulations (FARs) and FAA Advisory Circulars, presentations by FAA at conferences, press releases of government and industry organizations, etc. were referenced as needed.
- **Other Media:** Video presentations available on the Town of Erie website were reviewed, including Board of Trustee meetings and Airport Study Session of June 11, 2009 that included participation of FAA and CDOT.

Acknowledgements

The completion of this Study would not have been possible without the assistance and input of numerous individuals and organizations in the Erie community.

While too many to name individually, Boyd Group International would like to specifically thank the Town of Erie Economic Development Plan Working Group (EDPWG), Board of Trustees, Airport Advisory Board, and key town staff members including Mike Acimovic (Town Administrator), Fred Diehl (Assistant to the Town Administrator), and Gary Behlen (Public Works Director). Input was also received from airport tenants, residents of Erie Air Park, business owners on airport adjacent land, and two local organizations that are advocates of the Airport: Friends of Erie Airport and Erie Airport Economic Development Council (EAEDC).

⁴ See page 22 of the RFP for Town of Erie Economic Development Study (Administration #2009-2)

2. Executive Summary

The Economic Opportunity

Erie Municipal Airport represents an enormous economic asset and opportunity to the Town of Erie. It is the centerpiece of an area that can be developed into a major jobs-generator and tax-revenue producer. In the course of this study, Boyd Group International has come to the following overall conclusions:

A Viable General Aviation Airport

Many small municipal airports are simply not economically-viable. That, fortunately, is not the case with Erie Municipal, both currently and going into the future.

In its current form, Erie Municipal Airport (EIK) is not, and need not become, an economic drain on the Town. The Airport Enterprise Fund historically has been sufficient to support the airport. However, there are revenue streams today being missed, particularly residential through-the-fence fees that can bolster the Fund, as well as potential new revenue sources such as additional tie-downs that are possible. Additional facility additions to the Airport have distant potential for more revenue.

Community-Friendly

The Airport itself essentially cannot be materially expanded in physical size. While that may be viewed from a traditional standpoint as being a downside, in this case Boyd Group International would conclude that it is a general advantage for the Town's efforts to build EIK into a tax generator.

The reason is that airports are often viewed by the surrounding areas as nuisances and noise generators that have the potential to become even bigger nuisances and noise generators in the future via expansion. While this is not usually a valid perception, it does tend to make the neighbors militant about any plans to expand the facility, and can generate a corollary sub-cadre that wants to close the local facility entirely. That type of public sentiment can completely hamstring any types of economic planning involving the airport.

But at EIK, the levels of activity and the types of aircraft using the facility do not represent any future threats in regard to material increases in noise generation. Aside from the fact that most of the Town-resident immediate neighbors of EIK have chosen to live in an air park, general aviation itself is a good neighbor in terms of noise and congestion, and the trend in small aircraft – including new-generation business jets – is toward quieter and more ecologically-efficient powerplants.

Erie Municipal Airport is currently just a seedling compared to what can be developed into a region-friendly economic generator for the Town.

While there are aviation-related opportunities at EIK, the main areas of economic growth are peripheral to the Airport, and clearly do not represent any perceived threats to the surrounding community.

Right Place. Right Time.

EIK is located in an area that has and will continue to see strong growth. This will present opportunities for the Town in the development of the properties surrounding the Airport. There are emerging needs that this land can satisfy. These include office parks, light industrial, hotel, and other neighbor-friendly development opportunities that directly create jobs and tax revenues.

Immediate Challenges

There are a number of challenges that need to be addressed in the near term to facilitate any plan to capitalize on the opportunities represented by EIK:

Airport Management, Administration & Planning

An airport is a complex operation that involves a wide range of regulations, requirements, skills, and expertise that are foreign to typical municipal management.

At the present time, the Airport is financially self-supported, but it is not administratively self-supporting. It has become an energy drain on the Town by virtue of the fact that the administration of the facility has fallen to the Town itself, instead of an aviation professional who has the skills and background to plan and administer the immediate and long-term operations of the Airport.

Therefore, a first-priority objective is to recruit aviation management for EIK. While the airport would find it difficult to support a traditional airport manager position, there are firms that specialize in this area. The recommendation is to lease the day-to-day operations to a profit-motive company for a fee, and that would provide the incentive for the lessee to build the on-airport revenue streams, benefitting both the airport and the Town.

Maximizing Revenue Streams

As noted above, a clear system of through-the-fence fees must be implemented as soon as possible.

Future Development

Boyd Group International has identified a number of future development opportunities for Erie Municipal Airport and the surrounding Study Area for consideration. These are summarized below:

On-Airport

Available land for development on Erie Municipal Airport is limited essentially to that area north of the current Fixed Based Operator and west of Runway 15-33. Boyd Group recommends that this area be developed for additional tie-down area, pads for future hangar developments, and helicopter operations.

Adjacent Study Area

A large portion of the Study Area adjacent to and around the Airport is already designated or developed as residential housing. As a result, in analyzing concepts for economic development in the remaining areas consideration was given to that which was compatible with the Airport, compatible with residential neighborhoods, and complemented existing economic development activities and base of the Town of Erie.

The centerpiece of our recommendation is an Airport Business Park along County Line Road that would represent a mix of aviation-related industrial, other light industrial, and mixed-use/commercial/retail space. While land acquisition and ownership plans were considered, the preferred approach would be to market the property jointly with the current land owner, promoting the Through the Fence opportunities it represents. This would create revenue streams for the Airport, but avoid risk exposure or any capital outlay by the Airport Enterprise Fund.

The other key recommendation is development of hotel in the Study Area, with frontage along State Highway 7 representing the strongest opportunity. Boyd Group International believes the lack of hotel rooms in the Erie vicinity is an impediment to economic development, not only for the Airport and Study, but for the entire Town. A nationally-branded hotel in Erie would, in our view, provide a boost to all economic development activity currently underway.

3. Current Assessment of Study Area

Erie Municipal Airport

The Erie Municipal Airport is located in the Town of Erie, three miles from downtown. It is an approximate 25 mile drive north of Denver and a 10 mile drive east of Boulder.

Built in 1977, Erie Municipal Airport was originally a privately-owned airfield with an adjacent residential subdivision that is commonly referred to as “fly-in community.” The Town of Erie purchased the Airport with FAA Airport Improvement Program funds in 1992 after the original owners filed for bankruptcy and no private buyers emerged. From the time of purchase until 1999 when the Town of Erie assumed management responsibilities, the airport was leased to and operated by a private company.

Figure 3.1 – Aerial View of Erie Municipal Airport



Erie Municipal Airport is comprised of approximately 115 acres. Virtually all of the land within the Airport boundary is utilized for runways, taxiways, hangars, FBO operations with associated apron area, Runway Protection Zones, and Approach Surface Zones.

Airfield Configuration

Erie Municipal Airport is a non-towered airport with two runways:

- **Runway 15-33:** The primary runway at Erie Municipal Airport, 15-33 is 4,700 feet long by 60 feet wide and constructed of concrete. There are published VOR/DME and GPS approach procedures for this runway.
- **Runway 9-27:** Currently closed, Runway 9-27 is of asphalt construction and is total 3,280 feet long by 50 feet wide. The pavement condition on this runway is very poor with extensive weeds (and even small trees) protruding. At this time, runway 9-27 does not meet FAA standards with respect to pavement condition, longitudinal grades, transverse grades, obstructions, or pavement markers, and would require significant financial investment to reactivate (see detailed discussion below titled: Options Related to Runway 9-27).

Both runways were designed for aircraft weighing 12,500 pounds or less.

Airport Facilities & Property Description (Including Immediately Adjacent)

West of Runway 15-33 and south of Runway 9-27 is the primary airport apron area and Fixed Based Operator (FBO) (see Figure 3.2). A secondary apron area is located northwest of the FBO with additional tie-down area and privately owned T-Hangars on leased land. The pavement condition in the secondary apron area is poor. The FBO operator, Vector Air, is the primary tenant in the Town owned "terminal" and adjacent hangar. In the same facility are two small flight training firms, Skyraider Aviation and Rocky Mountain Rotorcraft.

East of Runway 15-33 and north of the currently closed 9-27 is a small parcel of land that currently houses the Airport's Wind Cone and Segmented Circle. This represents the only undeveloped land on Erie Municipal Airport, excluding the land on which Runway 9-27 (currently closed) is located.

The area east of Runway 15-33 (and intersected by the currently closed Runway 9-27) is a low-density residential neighborhood known as Erie Air Park. The neighborhood is the "fly-in community" conceived when the airport was first built by private developers in the late 1970s, and today is located outside airport boundary lines. Residents of Erie Air Park pay for "through the fence" privileges which allows them to park aircraft in hangars on their own property.

Northwest of the FBO building but off Airport property is a small industrial park that includes AeroSystems and *Spirit of Flight* Center, a non-profit museum that promotes aviation. This land has commercial "through the fence" privileges via a private taxiway and crossing the traverses Coal Creek. While Boyd Group International are not civil engineers, a quick visual "once-over" raised concerns about design standards and structural integrity of that crossing.

Figure 3.2 – FBO Facilities & Adjacent Tie-Down Areas



Southwest of the primary apron area and west of Airport Drive are two private hangar developments, along with the facility Rocky Mountain Propellers. These entities are on private property and have commercial “through the fence” airfield access via a private taxiway.

Landside Airport Infrastructure

The Erie Municipal Airport is accessible from State Highway 7 via Airport Drive, a two-lane road, which ends at a gravel public parking area. The location of the parking area relative to the FBO facilities requires pedestrians to walk across the taxiway that provides “through the fence” access for private hangar developments and Rocky Mountain Propeller (see Figure 3.2). Boyd Group International sees this as a potentially dangerous interaction between aircraft and people that could be eliminated by relocating the FBO/Terminal to a site south of the taxiway when a replacement facility is built.⁵

⁵ We would note that relocation of the FBO when replacing the current building can minimize service and revenue disruptions. Build the new one, move in, and tear the old one down.

Currently, FBO operator Vector Air occupies a building that is owned by the Town of Erie. Putting aside FAA guidelines for calculated required terminal space at general aviation airports, observations of current activity levels at the Airport lead Boyd Group International to a determination that the size of the current terminal building is adequate. That said, it's also obvious that the building is nearing the end of its useful life and will require replacement or substantial upgrade in the next few years.

The FBO building is connected to the Town of Erie water system and electric/gas service from Excel Energy. Waste water is handled via a septic system. This is also true for most of the land immediately adjacent to the Airport and in the near-term will limit the commercial marketability of such.

Land Available for Development on Current Airport Property

With the exception of approximately 10 acres north of the current FBO building and apron areas (including land that is currently reserved for Runway 9-27 west of Runway 15-33) there is little space within current Airport boundaries available for development (see Figure 3.2). The viability of this land for meaningful economic development faces two significant, albeit not insurmountable, challenges:

Development of this land would increase the number of vehicles and pedestrians that traverse the taxiway leading to private hangar developments on the west side of Airport Drive. Alternatively, a new/secondary access portal from County Line Road could be created. This would eliminate crossing an active taxiway to reach the FBO building but would require building a crossing to traverse Coal Creek.

For the useful purpose to extend beyond a simple tie-down area or T-Hangars, access to basic infrastructure such as sewer will be required.

The limited land on Airport property available for development inhibits the ability of the Erie Municipal Airport Enterprise Fund to achieve the goal of sustained self-sufficiency. Boyd Group International has identified possible solutions to this challenge which are provided later in this Study.⁶

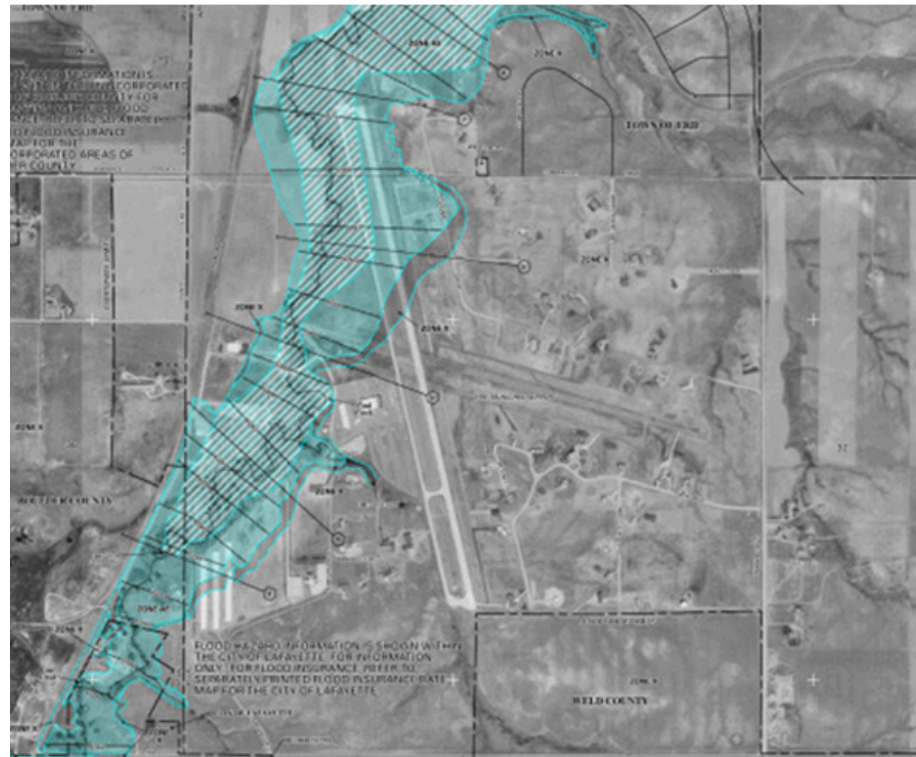
Coal Creek Floodplain

A limiting factor of development on and around Erie Municipal Airport is the floodplain of Coal Creek. As illustrated on Figure 3.3, the north end of Runway 15-33 is located within the floodplain, as is the land on which the west end of Runway 9-27 currently sits. The land under closed Runway 9-27, as well as that to the west across Coal Creek, represents some of the specific areas that we are recommending for development to enhance revenues to the Airport Enterprise Fund.⁷

⁶ See section 4 "Recommended Development Plan" and section 5 "Airport Enterprise Fund"

⁷ See section 4 "Recommended Development Plan"

Figure 3.3 – Coal Creek Floodplain



Presence in the Coal Creek floodplain does not, however, necessarily preclude development of this land, it simply means that such projects will have to adhere to enhanced development standards. The National Flood Insurance Program (NFIP) regulates development in floodplains based on the concept of “once every 100-years flood” (i.e., one-percent chance of a flood covering the plain each year).⁸ To qualify for government-subsidized insurance, ordinances must either be in place to protect the floodway and require that commercial structures (as we are proposing in the affected areas) meet certain requirements, including being elevated at or above the 100-year flood level.⁹

⁸ The National Flood Insurance Program (NFIP) was created in 1968 as part of the National Flood Insurance Act of 1968 (P.L. 90-448). This program was intended to provide an alternative to reliance on disaster assistance to meet the costs of repairing damage to buildings and contents following flooding. The program is managed by the Federal Emergency Management Agency (FEMA), which oversees floodplain mapping.

⁹ A review of Town of Erie, Town Code, Unified Development Code and Design Guidelines, 10-2-7: Overlay Districts indicates that ordinances currently exist.

Public Perceptions of Erie Municipal Airport

A key component of the Study was solicitation of input from Town residents and tenants/users of the Airport regarding current perceptions and ideas for development and enhancement of economic benefits to the community. This was accomplished in three ways:

- Airport Open House Events
- Written/On-Line Surveys
- Individual Meetings

Each of these activities, along with key inputs and findings, is summarized below.

Community Input During Airport Open House Events

Boyd Group International hosted two Airport Open House events at Erie Municipal Airport:

- **Thursday, July 9, 2009:** Approximately 20-25 in attendance.
- **Saturday, July 11, 2009:** Approximately 35-40 in attendance.¹⁰

Attendance at both events was comprised almost entirely of pilots with aircraft based at the Airport, residents of the Erie Air Park, and developers of land adjacent to the Airport. Some within this group attended both meetings. There was very limited attendance by Town residents who do not utilize or conduct business at the airport. Only a few residents of Anthem Ranch (located across State Highway 7 in Broomfield) attended.¹¹

To encourage as much input as possible, meetings were structured informally with a brief presentation of the Study objectives and an opportunity for attendee comments. For the remainder of the events, Boyd Group International staff circulated with attendees and received one-on-one input, supplemented by information collected on survey forms (see discussion below).

The vast majority of comments received during both Airport Open House events involved the status of Runway 9-27, which was not surprising given the aviation-centric demographics of those in attendance. While the discussion was wide ranging, as it relates to the economic development and viability of Erie Municipal Airport, attendees noted that are a number of days each year (up to 35-40 days per year based on some accounts and primarily

¹⁰ Boyd Group International recognizes Vector Air for allowing use of their conference room and reception area during both Open House events, as well as Friends of Erie Airport for providing hamburgers, hot dogs, and soda during the Saturday event.

¹¹ Anthem Ranch is under the approach to Runway 15. Anecdotally, Boyd Group International has been told that residents of this development are the primary source of the very few noise complaints Erie Municipal Airport receives.

during winter months) when the airport is unable to operate because winds coming from the west off the Rocky Mountains are so strong that crosswind takeoffs and landings on Runway 15-33 are unable to be conducted. This reduces the revenue capabilities of the Airport and businesses on it, and results in based aircraft either being unable to fly certain days or, if already departed, diverting to a nearby alternative airport with a suitable runway.¹²

Additional comments were provided regarding the need for infrastructure improvements (utilities, sewer, roads, etc.) both on and adjacent to the airport necessary to support business development. A few of the land owners in attendance indicated that they had missed opportunities to sell or develop land for specific projects due to lack of such infrastructure.

Other suggestions focused on improving the level of services available at the airport so that it would be more attractive for both based and transient aircraft. This included a restaurant, catering service, car rental service, and new FBO building.

Survey Response Data

Information collected during the Airport Open House events was supplemented with survey forms that were distributed at the events, as well as on the Town of Erie website. A total of 120 surveys were completed. 32 were completed either at the Airport Open House or mailed, and an additional 88 were completed online.

The survey was structured into three primary sections:

- **Part 1:** Data was collected with regard to demographics of respondents, with emphasis on identifying where the respondents lived and what may be driving their interest in Erie Municipal Airport (i.e., pilot, aircraft owner, business owner, concerned citizen, etc.). While attendance at the Airport Open House events consisted primarily of residents of Erie Air Park, business owners, and pilots, placement of the survey on the Town of Erie website clearly facilitated a more balanced sample of participants (see Table 3.4).
- **Part 2:** To ascertain general perceptions of the Erie Municipal Airport, respondents were asked their level of agreement with specific statements about the airport and its importance to the Town of Erie. Over 70 percent of the survey respondents either strongly agree or somewhat agree that the Erie Municipal Airport is a vital part of the Town's infrastructure, contributes to quality of life in the Town of Erie, and makes a positive economic contribution to the community. Equally as important, over 75 percent of respondents either strongly agree or somewhat agree that the Erie Municipal Airport represents a greater economic opportunity for the Town than is currently being realized (see Table 3.5).

¹² A more detailed discussion of Runway 9-27, along with recommended options, is provided in Section 4 "Recommended Development Plan." There is no requirement that the FAA or CDOT provide funding to assure the airport has the capabilities represented by an operational crosswind runway.

- **Parts 3-5:** Respondents were asked to provide input as to the kind of economic development they would like to see at the Airport, perceived barriers to the Airport achieving its true economic potential, and any other thoughts regarding how the Airport may maximize its benefit to the Town. These questions were free form, designed to give respondents maximum flexibility in crafting their answers.

Responses to parts 1 and 2 of the survey are provided in Tables 3.4 and 3.5 on the next page. A sample of the survey form, along with the “free form” comments received in parts 3 through 5, are provided in the Appendix to this study.

Based on the responses to survey, Boyd Group International believes that there generally is underlying support for efforts to increase economic activity at Erie Municipal Airport.

That said, verbal feedback responses to parts 3 through 5 of the survey form, also indicate two perception issues related to Erie Municipal Airport that warrant attention by the Town going forward:

- Those with a vested interest (i.e., pilots, Air Park residents, businesses, etc.) generally perceive Town government as being unsupportive of Erie Municipal Airport.
- Residents who do not have regular interaction with the Airport are either ambivalent or view it as a “flying country club” for the wealthy that is subsidized with Town dollars.

Boyd Group International does not believe that either of these perceptions is accurate. In the next section of this Study we have provided recommendations to enhance communication with stakeholders and better weave the airport into the fabric of the community.

Table 3.4 – Airport Survey Results Part 1: Profile of Respondents

Question	Response Options	Responses	Percentage
Where do you live?	Erie Airpark	32	26.2%
	Erie (Old Town)	6	4.9%
	Vista Ridge	20	16.4%
	Lafayette	1	0.8%
	Anthem Highlands	2	1.6%
	Other	61	50.0%
	TOTAL	122	100.0%
Are you a pilot?	Yes	47	43.1%
	No	62	56.9%
	TOTAL	109	100.0%
Do you own an aircraft?	Yes	34	41.0%
	No	49	59.0%
	TOTAL	83	100.0%
If you own an aircraft, is it based at Erie Municipal Airport?	Yes	26	51.0%
	No	25	49.0%
	TOTAL	51	100.0%
If you own an aircraft based at Erie Municipal Airport, where is it stored?	My Home/Hangar at Erie Air Park	21	67.7%
	Tie-Down on Airport	3	9.7%
	Hangar on Airport	7	22.6%
	TOTAL	31	100.0%
Do you own or work for a business based on or adjacent to Erie Municipal Airport?	Yes	18	16%
	No	98	84%
	TOTAL	116	100%

Table 3.5 – Airport Survey Results Part 2: Perceptions of the Airport

Question	Response Options	Responses	Percentage
Much like a library or community center, the airport is a vital part of the Town's infrastructure	No Opinion	7	6.0%
	Strongly Agree	60	51.3%
	Somewhat Agree	24	20.5%
	Somewhat Disagree	14	12.0%
	Strongly Disagree	12	10.3%
	TOTAL	117	100.0%
The airport contributes to quality of life in Erie	No Opinion	4	3.4%
	Strongly Agree	63	53.4%
	Somewhat Agree	24	20.3%
	Somewhat Disagree	14	11.9%
	Strongly Disagree	13	11.0%
	TOTAL	118	100.0%
The airport <u>currently</u> makes a positive economic impact to the town	No Opinion	9	7.7%
	Strongly Agree	41	35.0%
	Somewhat Agree	45	38.5%
	Somewhat Disagree	13	11.1%
	Strongly Disagree	9	7.7%
	TOTAL	117	100.0%
The airport makes little difference to me with regard to where I live or work	No Opinion	10	8.5%
	Strongly Agree	23	19.5%
	Somewhat Agree	13	11.0%
	Somewhat Disagree	18	15.3%
	Strongly Disagree	54	45.8%
	TOTAL	118	100.0%
The airport represents a greater economic opportunity for the town than is currently being realized	No Opinion	9	7.6%
	Strongly Agree	69	58.5%
	Somewhat Agree	20	16.9%
	Somewhat Disagree	11	9.3%
	Strongly Disagree	9	7.6%
	TOTAL	118	100.0%

Residential “Through the Fence” fees represent a major source of revenue for the Erie Municipal Airport Enterprise Fund.



It is recommended that the Town of Erie support efforts of CDOT to ensure adoption of a national policy that preserves existing homeowner rights in this regard.

Through-the-Fence Revenues

Overview

“Through the Fence” agreements authorize businesses or individuals to gain access to an airport from adjacent privately owned property. While airport operators are not required to provide Through the Fence access, many small general aviation airports have found that this can provide steady source of significant revenue for otherwise challenged airfields due to limited activity or limited land for other development.

Erie Municipal Airport is one of such airports, and Through the Fence fees represent a primary source of revenue for the Airport Enterprise Funds. In the case of EIK, Through the Fence activity falls into one of two categories:

- Commercial access on the west side of Runway 15-33 from off-airport hangar developments, Rocky Mountain Propeller, AeroSystems, etc.; and
- Residential access from the Erie Air Park primarily east of Runway 15-33, but also from a small number of lots located west of the runway and south of the FBO apron area (see Figure 4.10).

The FAA has determined that commercial Through the Fence activity for aeronautical use is acceptable and compatible with airport operations.

Residential Through-the-Fence

Conversely, the FAA has taken an adversarial view toward private residential Through the Fence, stating it is not a compatible use for publicly funded airports and, in some cases, has tried to eliminate such rights that property owners have had for decades. Compounding this problem has been the fact the FAA’s actions have not been on the basis of national policy, but rather local interpretation of regulations, bulletins, and memorandums. The result: Different policies for different airports.

The FAA’s posturing and lack of national policy has resulted in tremendous confusion and anxiety around the country, including at Erie Municipal Airport where a large percentage of Airport Enterprise Fund revenues are derived from residential Through the Fence access fees.¹³

As part of this Study, Boyd Group International met with the Colorado Department of Transportation (CDOT), Aeronautics Division to discuss Erie Municipal Airport, including the issue of residential Through the Fence. During this meeting CDOT officials confirmed that residential Through the Fence had become a national issue that lacked a national policy. To address this, CDOT and other state aviation/aeronautics departments were working with FAA to establish a single, definitive policy to be implemented on a national basis.

¹³ Historically, collection of fees could be considered spotty at best however the Town of Erie has taken action in recent months to implement a more formal system that should result in more consistent collection of fees and improve revenues to the Airport Enterprise Fund.

Although not certain, early indications are that the policy will result in a grandfathering of existing residential Through the Fence by establishing geographic boundaries and within these boundaries, existing lots could be subdivided at the discretion of local zoning authorities. Adoption of this policy would ensure that existing residents of Erie Air Park continue to have access to the Airport from their homes. Given the overall importance of residential Through the Fence fees to the Erie Municipal Airport revenue stream, Boyd Group International would recommend that the Town of Erie support CDOT in any manner necessary to see that the policy gets adopted and implemented.

Historical collection of residential Through the Fence fees at Erie Municipal Airport has been described as “spotty,” “inconsistent at best,” and based on “voluntary compliance.”¹⁴ This obviously needs to change given the importance of this revenue stream to the Airport Enterprise Fund. The Town of Erie has recently taken strides to correct this with implementation of a more formal permitting process and record keeping.

Finally, currently through the fence permits are \$250 per year, per aircraft. We would recommend that consideration be given to increasing fees to at least 75% of tie down fees, which although there are a limited number of airports in the nation with residential Through the Fence from which to draw comparisons, is not an unusual benchmark. For Erie Municipal Airport, this would translate as follows:

Tie Down Fee: \$50/mo x 12 months = \$600

Residential Through the Fence Permit: \$600 x 75% = \$450

In our discussions with residents of the Air Park we found them supportive of the Airport with a strong desire to see it provided with adequate financing to ensure continued maintenance and improvements. We would not expect an increase of \$200 per year to face significant resistance.

Airport Adjacent Study Area

To this point, we have provided a physical assessment of the Erie Municipal Airport and summary of perceptions of that facility held by the community. The remainder of the Study Area included land surrounding the Airport and generally located within the Airport Influence Zone.

Inclusion of this land was driven by a need to assess whether current and proposed uses were compatible with Airport. Where appropriate, Boyd Group International developed recommendations for alternative development that would be more compatible with the Airport and result in a greater overall economic benefit, and which could be supported by current and improved levels of infrastructure.

¹⁴ Based on interviews with Airport tenants and residents of Erie Air Park, including at the Airport Open House event.

Overview

The Study Area land surrounding the Erie Municipal Airport is a mix of public and private land.

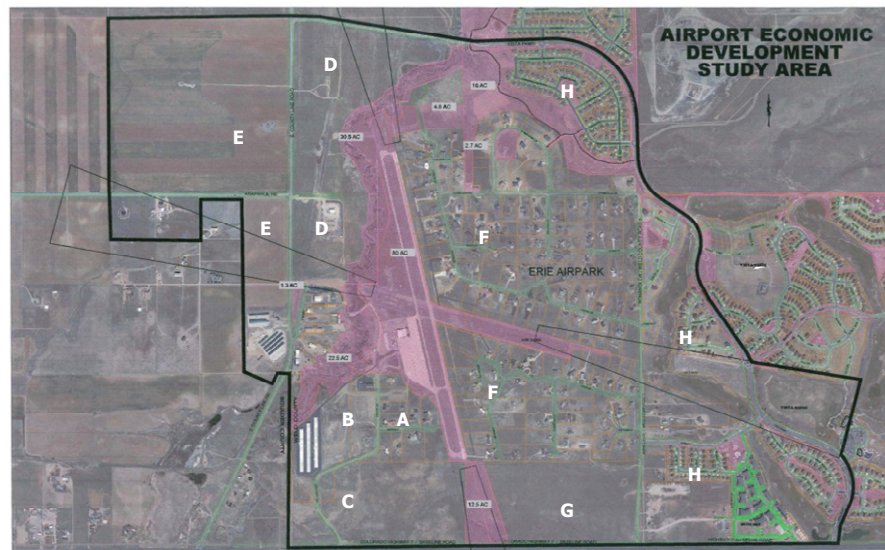
Public lands owned by the Town of Erie are primarily designated as Open Space and for the purposes of this Study it was assumed this would not change. These are shaded in pink on the Study Area maps (see Figure 3.6). Included in this land is a plan by the Town of Erie for a public trail bordering Coal Creek on the west side of the Airport and connecting with the Lafayette and Broomfield trail system near the southwest corner of the Study Area.

The remainder of the land is privately held and currently zoned residential (including some low-density), mixed use, business/commercial, and light industrial. Much of this land is undeveloped and represents a “green field” opportunity for the Town of Erie and Erie Municipal Airport.

Discussion of Land in Adjacent Study Area

To ensure a clear discussion, Boyd Group International divided this Study Area land into eight distinct sectors are illustrated on Figure 3.6.

Figure 3.6 – Non-Airport Land in Study Area



A description and assessment of each of the sectors is as follows:

- **Sector A:** Located east of Airport Drive and west of Runway 15-33, this is a small residential area that was part of the original Erie Air Park. These properties have residential through the fence access to the airfield for their aircraft.

- **Sector B:** Located west of Airport Drive, this land is zoned by the Town of Erie for airport use. Located within this sector are 99 privately-owned T-hangars, the Convair Hangar development, and Rocky Mountain Propeller. The sector has commercial through the fence access via a taxiway that enters the airport property via the FBO apron area.
- **Sector C:** Located in the southwest corner of the Study Area, this sector has advantageous frontage onto State Highway 7 which supports the current zoning designation for business purposes. Despite its location, the land faces two challenges to maximizing development potential. First, there fairly significant variation in elevation (i.e., it is hilly) which, dependent on the scope and nature of a project, could add significant cost. Second, the future of the land is somewhat uncertain until a final decision is made with regard to realignment of State Highway 7.¹⁵
- **Sector D:** This land is located west of the Airport property, east of County Line Road, and south of Vista Parkway. It is presently zoned for Light Industrial use which in our view is compatible with Airport. The southern portion of this sector, which is commonly referred to as the Phillips Seed Farm, is deemed an ideal location for business/industrial park with commercial through the fence access.
- **Sector E:** Plans are in place for this land that includes a mix of low-density residential housing and mixed-use commercial development. Given the proximity to Runway 15-33, we recommend continuation of noise abatement disclosures to all purchasers in this sector.
- **Sector F:** Located east of Runway 15-33, and effectively divided by the currently closed Runway 9-27, this residential area is the Erie Air Park. These properties have through the fence access to the airfield for personal aircraft.
- **Sector G:** Located southeast of Runway 15-33 and west of Bonanza Drive, this land has advantageous frontage onto State Highway 7 that is similar to sector C. The land may actually greater economic potential than that in sector C given that it is unlikely to be impacted by the realignment of State Highway 7 and provides more convenient access to residents (and their incomes) in both the Erie Air Park and the Anthem Ranch development.
- **Sector H:** Consisting primarily of land east of Bonanza Drive, this sector includes the Vista Ridge housing development and Colorado National Golf Course. A specific portion of this sector currently has limited development opportunity due FAR Part 77 regulations covering Runway Approach Zones (illustrated as the conical shape extending from the end of the runway on Figure 3.6. This could potentially represent a valuable future commercial development opportunity.¹⁶

¹⁵ See section 4 "Recommended Development Plan"

¹⁶ See section 4 "Recommended Development Plan"

Among the sectors identified, B, C, D and G are deemed to have the greatest economic potential within the context of their current zoning. It is Boyd Group International's view that sectors B and D have the strongest potential for economic development that benefits the Erie Municipal Airport because these properties create opportunities for commercial through the fence revenues.

Infrastructure Connectivity: Critical

While sectors B, C, D and G are believed to have significant development potential, reality dictates that connection to basic utilities is essential before this can occur. Specifically, the currently lacking connection to the Town of Erie water and sewage system will prevent meaningful commercial development that generates tax revenue and employment.

While other infrastructure can be added relatively quickly (i.e., electric, natural gas, communications), water and sewer lines require significant lead times and investment. Moreover, residential alternatives to water and sewer connections (i.e., well water and septic systems) are not viable alternatives to supporting commercial development.

4. Recommended Development Plan

Overview

A review of the current length and weight limits of the current runways at Erie Municipal Airport mean that future aviation related activity at Erie Municipal Airport will primarily consist of general aviation activity and, to a lesser degree, “entry level” business aviation activity. Revenue streams for the Airport will be primarily derived serving these sectors of aviation, however the current scarcity of available land limits the upside potential for Erie Municipal Airport. To ensure success of the Airport and maximize its contribution to the Town, a plan to maximize development both inside the Airport boundaries and on immediately adjacent land is necessary.

Land around the Airport in the Study Area is comprised of a mix of residential, commercial, and light industrial. While the residential areas provide the Town of Erie with a solid tax base, they are unlikely to have a meaningful contribution to future development on the Airport. Efforts can be made to develop the other surrounding land, however, and can provide economic impacts that benefit both Erie Municipal Airport and the Town, and which are compatible with over economic objectives of the Town of Erie.

Following a current assessment of Erie Municipal Airport and the surrounding land area (i.e., the “Study Area”), a review of other aviation infrastructure along Colorado’s Front Range, and analysis of economic development activities at other general aviation airport across the nation, Boyd Group International has prepared the Economic Development Plan for Erie Municipal Airport and surrounding areas contained in this section.

Runway 9-27 Recommendation

To recap, Erie Municipal Airport has two runways:

- **Runway 15-33:** 4,700 feet long by 60 feet wide, constructed of concrete, and with published VOR/DME and GPS approach procedures.
- **Runway 9-27:** 3,280 feet long by 50 feet wide, constructed of asphalt, and currently closed.

In accomplishing the reviews outlined below, there is one core conclusion: the reality must be recognized that there is no potential for Runway 9-27 to be returned to operational status. There are a number of considerations here, but at the bottom line, there is no chance whatsoever within current or foreseeable realities that funding would be available.

Both the FAA and Colorado Department of Transportation have made it clear that there are no funds and there is no intention whatsoever to pursue any rehabilitation of this runway.

Background

A key focus area of this Study was to develop a recommendation related to the future of the land that is currently the closed Runway 9-27. As outlined in the RFP, the four basic options for consideration (but not limited to) are as follows:

- Rehabilitate to useable condition and reactivate
- Develop land for other uses
- Reserve land for future opportunities
- Continue use for helicopter operations

In analyzing the Runway 9-27, Boyd Group International conducted a physical inspection of the site, studied the review by Jacobs Carter Burgess ("Carter Burgess"), met with CDOT – Division of Aeronautics, reviewed FAR Part 77, Erie Municipal Airport Master Plan, received input from various interested parties (including survey results), reviewed the video presentation of the June 11, 2009 study session between the Town of Erie Board of Trustees, FAA, and CDOT.

Figure 4.1 – Erie Municipal Airport Runway 9-27



The Erie Municipal Airport Master Plan and review conducted by Carter Burgess analyzed Runway 9-27 from an engineering perspective. Boyd Group International's analysis focused on the potential impacts of the runway related to future economic development.

Specifically, we undertook a review to determine the benefits that could possibly result from a reopening of the runway (under the hypothetical assumption that this would be financially possible) versus the benefits of utilizing the land presently set aside for Runway 9-27 to drive other economic development at Erie Municipal Airport.

Recap: Runway 9-27 Current Condition and Earlier Alternatives

Runway 9-27 is currently closed and does not meet current FAA standards. Specifically, the runway pavement is in very poor condition (including vegetation growing through cracks), blast pads do not meet recommended widths of 80 feet, longitudinal and transverse grades exceed allowable FAA criteria, markings are non-standard, and there are houses within the FAR Part 77 Runway Protection Zones that represent obstructions.¹⁷

The Erie Municipal Airport Master Plan, completed in February 2002 by Knight Peisold and Co. of Denver, offered four alternatives related to Runway 9-27, summarized as follows:

- **Close Runway 9-27:** The crosswind runway is closed with taxiway access to Erie Air Park residential homes maintained. This is the situation today.
- **Upgrade Runway 9-27:** This option involves increasing the length to 3,760 feet and making upgrades to bring the runway into compliance with FAA standards.
- **Reduce Runway 9-27 to 2,000 Feet of Turf:** This would replace the poor condition pavement with turf, eliminate the intersection with the primary runway, and utilize land on the west side of the intersection for new development.
- **Reduce Runway 9-27 to 2,200 of Pavement:** Similar to the turf approach above, but involves repairing/replacement pavement instead of replacing with turf, and bringing other non-standard conditions into compliance.

In April 2008, Jacobs Carter Burgess conducted a supplemental review of runway 9-27 and provided three recommendations for bringing the runway into compliance with FAA standards. The primary recommendation would shorten the runway to 2,200 feet, remove a conflicting parallel taxiway, remove trees and three homes inside the runway obstruction zone, regrade land inside the runway safety zone, and rehabilitate the runway pavement. This was estimated to cost approximately \$2.2 million, plus an additional estimated \$2.4 million to purchase three homes that violate FAR Part 77, for a total of \$4.6 million.

¹⁷ Letter of April 1, 2008 to Gary Behlen (Town of Erie) from Jacobs Carter Burgess reviewing FAA Criteria for Runway 9/27

Operational Benefits Associated with Reopening Runway 9-27

The primary benefit of Runway 9-27 would be facilitation of operations when winds blowing off the Rocky Mountains (particularly during winter months) prohibit the use of Runway 15-33. This would be particularly useful to student pilots and pilots in light sport aircraft, who more restricted in the conduct of crosswind landings than are experienced pilots or those in heavier aircraft. Based on feedback from the FBO operator and pilots, there are upwards of 35-to-40 days per year when Erie Municipal Airport cannot be utilized because of prevailing winds. (There is no requirement that the FAA or CDOT provide funding to assure the airport has the capabilities represented by an operational crosswind runway.)

The days when operations are limited result in reduced activity at Erie Municipal Airport. The direct financial impact on the Airport, however, is virtually non-existent. The Airport does not collect landing fees under the current arrangement with the FBO, and does not share in fuel sales revenue, and does not collect any revenue from flight schools based on levels of activity.¹⁸

Although difficult to accurately quantify, it is possible that the lack of a crosswind runway is costing Erie Municipal Airport revenue in the form of tie-down fees from aircraft that opt to base at another nearby airport with a higher-degree of wind coverage.¹⁹

Cost-Benefit Analysis Related to Runway 9-27 Reopening

Boyd Group International conducted a simple cost-benefit analysis of how long it would take the Airport Enterprise Fund to recover an investment in reopening Runway 9-27 based on the \$4.628 million cost estimated by Carter Burgess and assuming the fund contributed \$231,400 (5% of project cost) to match to FAA and CDOT grants.

To provide an estimate of the time required to recover any investment (i.e., replenish the Airport Enterprise Fund) in reopening Runway 9-27, calendar year 2008 operating revenues for the Airport Enterprise Fund were used as a baseline, and we assumed annualized increases of 2% (low), 5% (baseline), and 15% (high) in airport revenues that might attribute to an increased ability to conduct crosswind operations. Runway and apron maintenance expenses occurred during CY2008 were then increased by 10% annually.²⁰

As illustrated on Table 4.1, at the low estimate of revenue increases, it would take the Airport Enterprise Fund over 170 years to recoup the investment in matching funds at the low-end estimate of attributable revenue increases, declining to nearly 11 years at the high-end estimate.

¹⁸ Revenue from flight schools is derived on rental of office space in the FBO building.

¹⁹ During the Airport Open House events, a few attendees mentioned that they knew of pilots that would like to base their aircraft at Erie Municipal Airport but wouldn't because of the risk that the airplane would be unusable on days when they could not operate off Runway 15-33.

²⁰ While a reopened Runway 9-27 would represent more than 10% of total paved surfaces on the Airport, the new pavement would have lower maintenance costs, particularly early in the life cycle.

Table 4.2 – Cost-Benefit Analysis for Runway 9-27 Reopening

Funding Source	% Share	Funding Level	
FAA Grant	90%	\$4,165,200	
CDOT Grant	5%	\$231,400	
Erie Municipal Airport Share	5%	\$231,400	
TOTAL	100%	\$4,628,000	
HYPOTHETICAL REVENUE SCENARIO - Increased Airport Revenues			
Potential Revenue Benefits	LOW	BASELINE	HIGH
2008 Airport Operating Revenues As Baseline	\$156,533	\$156,533	\$156,533
% Increase	2%	5%	15%
Annual Increase in Revenues	\$3,131	\$7,827	\$23,480
Less: Increase in Annual Maintenance Costs	\$1,775	\$1,775	\$1,775
NET INCREASE IN AIRPORT ENTERPRISE FUND REVENUES	\$1,356	\$6,052	\$21,705
Time Required for Airport to Recover Investment			
Years in Constant Dollars	170.7	38.2	10.7

It is important to note the above estimates represent replenishment of funds to the Airport Enterprise Fund only, and do not include potential benefits that accrue to the Town in the form of increased sales tax revenue, or to businesses at the Airport and surrounding the Airport that might benefit from increased revenue resulting from higher activity. Estimates of this nature would be highly difficult to quantify and would constitute little more than speculation.

However, given that the airport is estimated to be affected by lack of a crosswind runway 35 - 40 days per year, the increased revenues are not felt to be substantial.

Availability of FAA and CDOT Funds

The above calculations assume that FAA and CDOT grant funds would be available to assist with costs related to reopening Runway 9-27. After reviewing the June 11, 2009 joint study session between the Town of Erie Board of Trustees, FAA and CDOT, and conducting a follow-up interview as part of this Study with CDOT, Boyd Group International believes it is highly unlikely that such funding would be available.

Travis Vallin, Director of Aeronautics, for CDOT summarized this best during the joint study session:

"Your wind rose does two things for you. On a nice clean sheet of paper it tells you where to put your runway. The second thing it does for you is it, says per an FAA Advisory Circular, we meet or do we not meet 95% crosswind coverage.

"So the difficult thing here is what the State and the FAA are saying is [our investments] we make at the 43 airports around the State that compete for the same dollars as Erie, we don't have the dollars or the priority to invest in the crosswind at Erie regardless if this runway is 95%, 92%,

There simply is no funding available for any rehabilitation of Runway 9-27.

This has been validated by both FAA and CDOT.

88% or 75%, and that's based on upon available dollars, that's based on activity, that's based on safety needs at other airports around the State. So there's a lot of different things.

"So what we're saying is, if the Town wants to invest in a wind study or they want to invest in this pavement, we're fine with that but our investment will stay to the primary runway, the taxiway, the apron, and the safety areas. And that's the difficult part. It's not that we don't love the Erie Tri-County and that we want to provide a facility for the folks to land, but we have to go all over the State and look at pilots at many single-runway airports and say there are times when you're going to have land at a different facility or don't fly.

"Unfortunately, the Advisory Circular sets out the criteria, but we don't have the dollars. Just to give a perspective on the dollars. We have a pot of money called State Apportionment. The State Apportionment amount of money crosses all 43 airports eligible in the State that are GA. That pot of money is \$5.7 million dollars a year. And so what we do is struggle to put the money in primary runways at Jeffco, Centennial, Pueblo, Cortez and Alamosa. So we're kind of forced to say we'd love to help you financially, but we're never going to get there."²¹

At the same meeting, this sentiment was echoed by Linda Bruce of the FAA:

"It's sort of a non-starter when you're dealing with your crosswind runway. If you look at the terrain and challenges of bringing the crosswind runway up to FAA standards, um, and looking at it with our staff, we met the DOT who looked at it as well, there's just no place on the airport you could have a crosswind runway that would meet federal standards and that we would put money into. It would just be astronomical to do it, if it was achievable at all, and we would not support that."²²

Based on these comments, absent a material change in available funding sources, it is highly unlikely that the dollars necessary to rehabilitate Runway 9-27 will be available at anytime in near future.

Redevelopment Options Related to Runway 9-27

Given that funding sources for rehabilitation of Runway 9-27 are unlikely in the near future, Boyd Group International analyzed various options related to redeveloping this land, including those specified in the RFP.

The section of 9-27 east of runway 15-33 has very little development potential due to access issues.

²¹ 12:55 mark of video recording of joint study session between Town of Erie Board of Trustees, FAA and CDOT, available on www.erieco.gov.

²² Same joint study session, 3:55 mark.

The west side of Runway 9-27 (i.e., west of Runway 15-33) holds the most potential for redevelopment given its proximity to the existing FBO building and access from Airport Drive. As outlined below, we are recommending that this area of 9-27 be utilized to expand the apron area at Erie Municipal Airport. This would require low investment with potential for immediate net-new revenues.

The redevelopment potential of Runway 9-27 east of Runway 15-33 is more problematic. Development of hangars would be difficult as there is no vehicular access to the land, and the current taxiway parallel to 9-27 is used by some residents of Erie Air Park.

Runway 9-27: Boyd Group International Recommendation

Given the above, Boyd Group International recommends the following regarding the closed runway 9-27:

- The section of Runway 9-27 that is located west of Runway 15-33 is redeveloped as an expansion of the existing apron area to support additional aircraft tie down areas, serve as pads for T-hangers, and a landing zone for helicopter operations. This would also be the connect point for a taxiway across Coal Creek to access the Airport Business Park (see discussion below).
- The land east of Runway 9-27 and across Bonanza Drive potentially represents valuable property for commercial development, however as long as Runway 9-27 remains on the Airport Layout Plan (ALP), this land cannot be developed because it sits under what is considered the Runway Approach Zone.²³ To have Runway 9-27 removed from the ALP, a formal letter must be submitted to the FAA Airport District Office in Denver pointing out that the runway is currently closed, unlikely to be rehabilitated, and the Airport is requesting removal.²⁴ It is important to realize that this represents a purely paperwork event - i.e., no physical changes to airport or actual land on which Runway 9-27 now sits are required.
- It is also important to note that at some point in the future should the highly unlikely (virtually impossible) occur and funding were to become available to rehabilitate Runway 9-27, it would be possible to add it back onto the ALP. This would only be true provided no obstructions had been built in the Approach Protection Zone (or subsequently removed) and the runway were rehabilitated to FAA specifications. While the chances of such occurring are recognized as near nil, we are obligated to point out that adding and removing runways from an ALP is, in fact, a two-way street.

²³ See FAR Part 77.

²⁴ Given the lack of willingness to provide funding for Runway 9-27, we do not believe that the FAA would object in any way to such a request and in the same letter it is recommended that funds be requested for use in updating the ALP at some future date. Finally, CDOT has offered to assist in drafting the letter to FAA.

FBO Terminal Building Options

As noted in the previous Section, FBO operator Vector Air occupies a building that is owned by the Town of Erie (see Figure 4.3). This building provides offices space for Vector Air, a pilot's lounge, concession vending area, flight planning room, conference room, and restrooms. Additional tenants lease office space for flight training activities.

Based on discussions with Town of Erie staff and Vector Air, as well as our own observations, there are three primary challenges related to the current FBO Terminal Building:

- The building is nearing the end of its useful life, and both routine and non-routine maintenance costs are increasing at a steady rate;
- The location of the FBO Terminal Building requires visitors to traverse an active taxiway from the public auto parking area, resulting in a potential safety hazard; and
- The structure does not represent a particularly appealing gateway to either the Town of Erie or Erie Municipal Airport, and lacks space to add amenities which could possibly result in both greater aeronautical activity and general use by Town residents, such as a restaurant (see discussion below).

Figure 4.3 – Current FBO Terminal Building at EIK



The Erie Municipal Airport Master Plan projected a total cost of \$330,000 to construct a General Aviation Terminal, as well as pave the auto parking area and improve fencing.²⁵ Under this scenario, the matching funds required from the Airport Enterprise Fund would be \$15,000. As this estimate was prepared in 2001, we believe it understates the current cost of replacement of, or even upgrading, the current building.

²⁵ Prepared October 2001 by Knight Piesold & Company, Denver, Colorado.

Boyd Group International has developed two scenarios to facilitate the upgrade of the FBO Terminal Building that we believe represent viable alternatives and which would not cost the Airport Enterprise Fund any upfront funds:

- **Airport Management Contractor Development:** As will be outlined later in this Study, we are recommending that Erie Municipal Airport pursue entering into an airport management agreement with a firm that specializes in such operations. A requirement for the winning bidder would be to develop a new FBO Terminal Building, including either a new hangar or relocation of the existing hangar, and preferably in a location on the south end of the existing apron area that would eliminate the need for pedestrians to traverse the active taxiway. Under this scenario, the Vector Air and other tenants of the current building would lease needed space from the airport management firm.²⁶
- **Vector Air Improve Existing Facility:** If an acceptable airport management firm agreement cannot be reached, an alternative approach would be to have Vector Air fund improvements to the existing facility in exchange for an extended lease term with a reasonable reduction in rent.²⁷ In our discussions with Vector Air, it was indicated that plans and financing for such were already being explored. The primary downsides to this option are that it does not eliminate the pedestrian crossing of the taxiway, the renovations would not include an airport restaurant, and the long-term need to replace the building would still exist.

Under both of the scenarios outlined above, there are perceived benefits to the Airport Enterprise Fund. First, there would be no upfront local share of funding and, as such, available funds could be used to implement other recommendations in this Study and provide operating reserves. Second, whether an entirely new building or improvements to the existing building, improvements would revert to the Airport Enterprise Funds.

Given the two options outlined above, and particularly the fact that Vector Air has indicated an interest in pursuing the second option, we do not believe that the Airport Enterprise Fund should invest in a new FBO Terminal Building in the near term.

²⁶ Including preferably a new airport restaurant, as discussed below.

²⁷ In discussions with Airport tenants it was indicated that there was a reticence on the part of the Town to enter into long-term leases. To implement the recommendation herein would require a change in policy so as to allow the tenant sufficient time to recoup invested capital before turning over improvements to the Airport.

Expansion of FBO Apron Area

Boyd Group International has identified the area north of the current FBO apron area as being the only land inside the current boundaries of Erie Municipal Airport that is available for development and increasing revenue for Airport Enterprise Fund. This area includes the western section of Runway 9-27.

Recommended Development

Our recommendation for this area is to increase the FBO apron area for more aircraft tie-downs, pads for T-Hangars, and for helicopter operations. We recommend that this expansion be undertaken in two distinct phases (see Figure 4.4):

Figure 4.4 – Recommended Expansion of FBO Apron Area



- Phase I:** Nearest to the north side of the existing FBO ramp area, this would add approximately 100,000 square feet of Portland concrete. This area would be used for additional aircraft T-downs (approximately 30 additional) and helicopter operations.²⁸ The apron area would provide connectivity via a taxiway across Coal Creek to AeroSystems and, eventually, the recommended Airport Business Park (see discussion below).

²⁸ Number of tie-downs able to be accommodated is a factor of the wing spans of the aircraft model parked in each tie down area.

The land is owned by Airport Enterprise Fund and construction costs are estimated to be approximately \$17.00 per square, or a total of \$1.700 million. Assuming that FAA and CDOT would pay for 95% of the project, cost to Erie Municipal Airport Enterprise Fund would be \$85,000. At a rate of \$50 per month per tie down, this would equate to a maximum \$18,000 in annual revenues at 100% occupancy. A more reasonable occupancy rate is 85%, equating to \$15,300 in annual revenue.

- **Phase II:** Phase II would add another 100,000 square feet of Portland concrete to existing land, and would be used primarily as pads for privately owned T-Hangars and/or box hangars. Assuming a land lease rate of \$0.28 per square foot rate and 70% leased (30% reserved for aircraft movement areas), this would equate to annual revenue of \$19,600.²⁹

Cost-Benefit Analysis

Boyd Group International prepared cost-benefit analysis of how long it would take the Airport Enterprise Fund to recover its investment in the apron expansion projects as outlined above. As with the analysis conducted for Runway 9-27, we assuming the fund contributed 5% of project cost, with the remaining coming from matching FAA and CDOT grants.

To provide an estimate of the time required to recover the investment (i.e., replenish the Airport Enterprise Fund) we developed baseline, high, and low revenue scenarios for the additional tie-down areas and hangar pads based on various occupancy levels. We also assumed increases in Colorado fuel tax revenues, based on the State formula of return 65% of tax revenue to the airport-of-origin.³⁰

As illustrated on Table 4.5, the Airport Enterprise fund is projected to take between 4.4 and 7.1 years to recover its investment in Phase I, and between 4.1 and 6.2 years to recover its investment in Phase II.³¹

While Phase II has a faster rate of recovery, we recommend that Phase I be the initial assumption because current infrastructure at Erie Municipal Airport is more likely to attract light, single-engine aircraft. As amenities are added to the airport (i.e., additional aircraft services, restaurant, etc.) the success of Phase II becomes more likely.

²⁹ It is important to note that we are recommending Erie Municipal Airport lease the apron pad to a private operator for development of the T-Hangars. We are not recommending that the Airport purchase T-Hangars nor, given portability of such structures, are we assuming that such would revert to Airport ownership at end of lease term.

³⁰ Annual flight hours and fuel burn rates are for single-engine, piston aircraft based on national averages as reported by the General Aviation Manufacturer's Association (GAMA).

³¹ It is important to note that the current service agreement gives the FBO operator all revenues related to tie downs on the existing apron areas. For purposes of the analysis and projections herein, we have assumed that the additional tie down areas would not be part of that agreement and that revenue would accrue to the Airport Enterprise Fund.

Table 4.5 – Cost Benefit Analysis for Apron Expansion Projects

FBO Apron Ramp Expansion - Phase I			
Funding Source	% Share	Funding Level	
FAA Grant	90%	\$1,530,000	
CDOT Grant	5%	\$85,000	
Erie Municipal Airport Share	5%	\$85,000	
TOTAL	100%	\$1,700,000	
Hypothetical Revenue Scenario			
Potential Revenue Benefits	LOW	BASELINE	HIGH
Annual Tie-Down Fee	\$600	\$660	\$780
Available Spaces	30	30	30
Occupancy Rate	75%	85%	90%
Net Tie-Down Rental	\$13,500	\$16,830	\$21,060
Fuel Tax Revenues			
Assumed Annual Avg. Hours per Aircraft	105	110	115
Fuel Consumption per Hour	15	15	15
65% Fuel Tax Refund at \$.06 per gallon/100LL	\$61	\$64	\$67
Less: Increase in Annual Maintenance Costs	\$1,775	\$1,775	\$1,775
NET INCREASE IN AIRPORT ENTERPRISE FUND REVENUES	\$11,786	\$15,119	\$19,352
Time Required for Airport to Recover Investment			
Years in Constant Dollars	7.2	5.6	4.4
FBO Apron Ramp Expansion - Phase II			
Funding Source	% Share	Funding Level	
FAA Grant	90%	\$1,530,000	
CDOT Grant	5%	\$85,000	
Erie Municipal Airport Share	5%	\$85,000	
TOTAL	100%	\$1,700,000	
Hypothetical Revenue Scenario			
Potential Revenue Benefits	LOW	BASELINE	HIGH
Annual Rental Rate per Sq. Ft.	\$0.28	\$0.28	\$0.28
Available Square Feet	100,000	100,000	100,000
Occupancy Rate	55%	70%	80%
Net Tie-Down Rental	\$15,400	\$19,600	\$22,400
Fuel Tax Revenues			
Net Additional Aircraft			
Assumed Annual Avg. Hours per Aircraft	105	110	115
Fuel Consumption per Hour	15	15	15
65% Fuel Tax Refund at \$.06 per gallon/100LL	\$61	\$64	\$67
Less: Increase in Annual Maintenance Costs	\$1,775	\$1,775	\$1,775
NET INCREASE IN AIRPORT ENTERPRISE FUND REVENUES	\$13,686	\$17,889	\$20,692
Time Required for Airport to Recover Investment			
Years in Constant Dollars	6.2	4.8	4.1

Airport Business Park

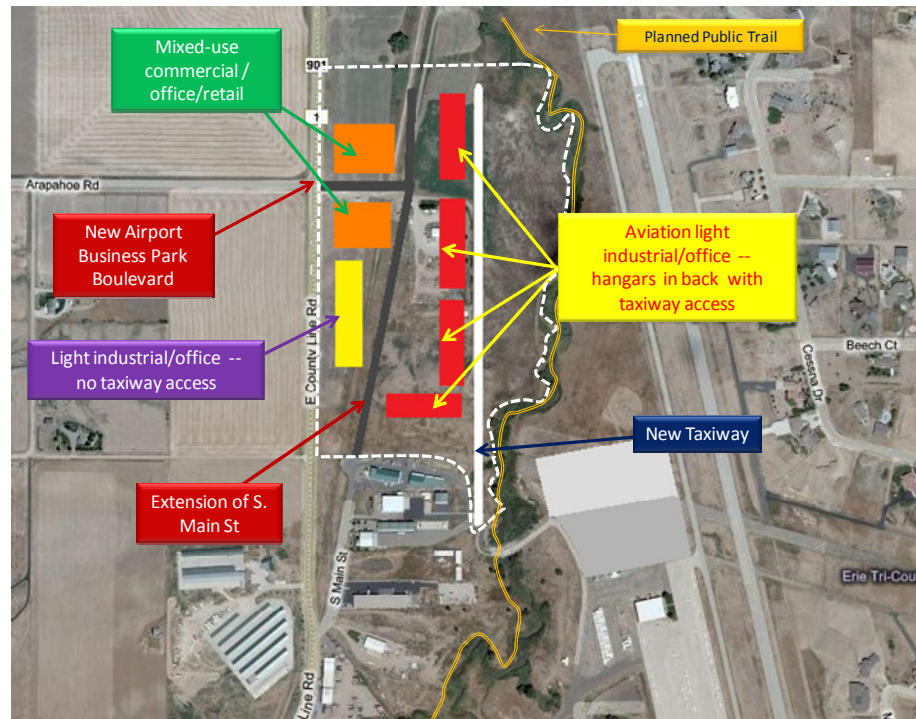
As discussed above, there is a scarcity of land available for development on Erie Municipal Airport. Moreover, and as will be outlined in the next section on the Airport Enterprise Fund, Through the Fence revenues comprise a large percentage of current Airport revenue streams.

Given this, Boyd Group International sought a project concept that could address both of these challenges while simultaneously creating economic development that was compatible with the stated objectives of increased economic development that would benefit the entire Town of Erie.

Recommended Development

To increase overall Airport activity, improve revenue streams to the Airport Enterprise Fund, and generate economic development with the potential to benefit the entire Town of Erie, Boyd Group International recommends development of a mixed-use Airport Business Park, as illustrated on Figure 4.6.

Figure 4.6 – Conceptual Airport Business Park



Note that the concept includes a mix of aviation-focused light industrial with taxiway access, light industrial/office space, and pads for either retail or commercial mixed use (including potentially professional office space). The taxiway, located behind the aviation light industrial/office designated space would access the airfield via the aircraft crossing that currently traverses Coal Creek.

While the concept presented represents a specific parcel of land, and the cost-benefit analysis presented below is based on this parcel, it is sufficiently portable in that it could be placed on different parcels in the Study Area (i.e., sectors C and G, as illustrated on Figure 3.5) if necessary.³²

³² Note that later in this section Boyd Group International emphasizes the opportunities inherent with hotel development and that the Town should emphasize this as a catalyst for additional economic development. The ideal locations for hotel development are also identified as Sectors C and G.

Finally, it is important to underscore that the concept presented on Figure 4.6 is just that - A concept which could very likely see significant alteration during the planning process, particularly if implemented by a third-party developer.

Target Businesses & Industries

Boyd Group International has identified the following types of economic activities and industries for the Airport Business Park concept:

- **Aircraft Maintenance, Modifications & Part Manufacturing (Aviation Light/Industrial):** Similar to Rocky Mountain Propellers and AeroSystems, businesses such as upholstery shops, avionics and instrument overhaul, installation services, etc. would serve aircraft based at Erie Municipal Airport and aircraft flown into the airport specifically for these services. By providing a wide range of aircraft services at the Airport, this could increase the number of based aircraft and drive higher revenues for other businesses already on the field, namely the FBO. It could increase the viability of other recommended economic development activities, such as a hotel and/or Airport restaurant.
- **Shared Office -"Executive Suites" - Concept (Mixed Use/ Commercial/ Retail):** A cornerstone of the Airport Business Park could be development of a shared offices facility (i.e., "Executive Suites") that offers small business individual office space with shared common areas (reception, conference rooms, break rooms, etc.). Targeting of aviation small aviation related businesses such as aircraft brokers, aviation insurance agents, charter services, aircraft engineering, etc. this could emerge as a *de facto* aviation business incubation center.
- **Aviation Training (Aviation Light Industrial or Light Industrial/ Office Space):** Schools offering pilot training (FAR Part 141) and maintenance training (FAR Part 142) would be ideally suited for location in the Airport Business Park. There is an impending shortage of trained maintenance personnel in the aviation industry, and we believe that Private Part 142 schools in particular will be looking to expand in coming years.



The potential exists over the long-term to have educational activity at Erie Municipal Airport lead to an aviation high school...a first for Colorado.

Aims Community College in Greeley has an aviation program that provides training for pilots and air traffic controllers. An extension of this program to Erie Municipal Airport would enable the college to capture a larger number of students from Southwestern Weld County, as well as neighboring Broomfield and Boulder counties. Moreover, the program at Aims does not include an Airframe & Powerplant Mechanics program and a location at Erie Municipal Airport could be used to expand the program to include such an offering, possibly by building on the existing affiliation between Aims Community College and Metro State College.

Building on this, the possibility exists to form a partnership between Aims Community College and the St. Vrain Valley School District, similar to the existing affiliation that Aims Community College has with Cherry Creek High School in Greenwood Village. Such a program could offer

interested students aviation-focused elective courses during high school that would prepare them for such a career, as well as help the student ensure that the aptitude and interest before embarking on post-secondary education. The benefit to this program for Erie Municipal Airport could be as the site for an “aviation laboratory.”³³

- **Light-Industrial (Light Industrial Office):** This would include machine shops, custom fabrication, automotive repair, other repair shops (appliances, furniture, etc.), as well as service sector businesses that “travel out” to customers but which require storage areas for tools and equipment such as carpeting cleaning, electricians, plumbers, etc.
- **Professional Services (Mixed-Use/Commercial/Retail):** This would include small offices which generally create foot traffic, such as insurance agencies, lawyers, accountants, interior design services, etc. We believe that recruiting such services to the Airport Business Park could service result in a convenience factor that helps stimulates economic development elsewhere in the Study Area but not at the expense of Erie Commons and other mixed-use developments.
- **Retail (Mixed-Use/Commercial/ Retail):** A small retail component is the final piece, and we envision this near the Airport Business Park entrance along County Line Road. The most obvious retailer would be a gasoline/convenience store, as this would meet the needs of Business Park tenants and would not compete with Erie Commons.

Table 4.7 provides a more detailed list of potential industries to target for the Airport Business Park, including NAICS codes.

³³ Long-term, such a program could lay the foundation for an aviation high school similar to many such programs across the country, including the Aviation Academy Magnet Program at Denbigh High School in Newport News, VA and Oakland Aviation High School in Oakland, CA. There is currently no aviation-specific high school in the State of Colorado, despite aerospace and aviation being one of the targeted industries for development.

Table 4.7 – Airport Business Park Target Industries, NAICS Codes

Category	Target Industries	NAICS Code
Aviation Light Industrial/Office	Aircraft Tie Down Strap Assemblies (except leather) manufacturing	314999
	Aircraft and and automotive wire or cable	3314
	Air cowls, sheet metal (except stampings), manufacturing	332312
	Fluid, hydraulic, pneumatic aircraft subassemblies manufacturing	332510
	Aircraft engine cradles and loading hoists manufacturing	333924
	Airborne radio communications equipment, antennas, GPS equipment, manufacturing	334220
	Aircraft conversions (i.e., modifications to systems), aircraft overhauling	336411
	Aircraft engine parts manufacturing, aircraft engine overhauling, aircraft engine rebuilding, developing and producing producing prototypes for aircraft engines and engine parts	336412
	Aircraft assemblies, subassemblies, auxiliary parts, control surfaces manufacturing	336413
	Flight Training	611512
	Aircraft engines and parts merchant wholesalers	423860
	Aircraft inspection services	488190
Light Industrial/Office	Aircraft dealers, used aircraft dealers	441229
	Drywall and Insulation Contractors	23831
	Painting and Wall Covering Contractors	23832
	Electrical Contractors and Other Wiring Installation Contractors	23821
	Plumbing, Heating, and Air-Conditioning Contractors	23832
	Finish Carpentry Contractors	23835
	Commercial Lithographic Printing	323110
	Machine Shops	33271
	Book, Periodical, and Newspaper Merchant Wholesalers	42492
	Passenger Car Rental	532111
	Exterminating and Pest Control Services	56171
	Vending Machine Operators	454210
	Carpet and Upholstery Cleaning Services	54174
	General Freight Trucking, Local	48411
	General Warehousing and Storage	49311
	General Rental Centers	53231
	Testing Laboratories	54138
	General Automotive Repair	811111
	Automotive Body, Paint, and Interior Repair and Maintenance	811121
	Consumer Electronics Repair and Maintenance	811211
	Technical and Trade Schools	61151
	Computer and Office Machine Repair and Maintenance	811212
	Home and Garden Equipment and Appliance Repair and Maintenance	81141
	Reupholstery and Furniture Repair	81142
Mixed Use/Commercial/Retail	Convenience Stores	445120
	Gasoline Stations with Convenience Stores	447110
	Commercial Banking	52211
	Savings Institutions	52212
	Mortgage and Nonmortgage Loan Brokers	52231
	Securities Brokerage	52312
	Insurance Agencies and Brokerages	52421
	Offices of Real Estate Agents and Brokers	53121
	Offices of Lawyers	54111
	Accounting, Tax Preparation, Bookkeeping, and Payroll Services	54121
	Engineering Services	54133
	Drafting Services	54134
	Interior Design Services	54141
	Administrative Management and General Management Consulting Services	541611
	Photographic Services	54192

A target list of prospective tenants for the Airport Business Park is provided in the Appendix to this Study.

Prospective Tenants for Airport Business Park

A list of prospective tenants representing specific businesses that the Town and/or a private developer could target is provided in the Appendix B to this Study.

With respect to aviation-focused prospective tenants, in many cases these represent businesses that are currently located at other airports along the Front Range and which, based on cursory view of their business model, may benefit by relocating to Erie Municipal Airport. Benefits could range from due to anticipated lower costs relative to airports such as Centennial Airport or Rocky Mountain Metropolitan Airport, closer proximity to the Denver metropolitan area, or an opportunity to expand their business with either an additional location (or maintaining a single location, but with a greater number of square feet or a newer facility).

As appropriate, tenant identification was focused on complimenting existing businesses within the Town of Erie, provided needed services to Town residents, and providing a foundation that could increase overall activity and business levels at Erie Municipal Airport.

Coordination with Trail System

As noted, Boyd Group International has presented a conceptual layout for development of an Airport Business Park that we believe will contribute to the economic development of the Town of Erie. The trail system, however, is also recognized as key contributor to the quality of life in Erie, a fact that was echoed in numerous comments received in surveys (see Appendix).

A planned expansion of the trail system is illustrated on the Airport Business Park layout running along Coal Creek. Design considerations need to be made to prevent the interaction between pedestrians, cyclists and aircraft, including a plan to route trail traffic under the aircraft crossing that traverses Coal Creek (similar to trail routings under major intersections in the City of Boulder).³⁴

Development Alternatives

Finally, it is important to note that Boyd Group International is not proposing that Erie Municipal Airport or the Town of Erie build and manage an Airport Business Park. What we are suggesting is that a plan be prepared to facilitate development by a third-party.

There are two basic alternatives to facilitate the development of the Airport Business Park: Acquiring the land and adding it to the Airport Layout Plan *OR* an independent developer executing the plan and having commercial Through-the-Fence access.

³⁴ Reference is made to the letter of March 24, 2009 from the FAA to the Town Administrator regarding the need to ensure that adequate measures are taken to "limit the public's access to airport property and aircraft movement areas."

Each of these alternatives is discussed briefly below:

- **Airport Enterprise Fund Acquires Land, Adds to Airport Layout Plan (ALP):** Under this scenario, the land would be acquired to improve noise compatibility and prevent airport incompatible development near Erie Municipal Airport. If approved by the FAA, this would be accomplished by the Airport Enterprise Fund using Airport Improvement Funds (AIP).³⁵ Whether the FAA would provide funds for the project is unknown. While land acquisition to prevent non-compatible uses and access roads on airport property represent permissible uses of AIP funds, industrial park development is specifically prohibited.³⁶

Under this scenario, the land would be acquired and roads and basic infrastructure improvements would be added. The land would then be leased either as a single parcel to a master developer or broken into smaller parcels for individual leasing agreements. The preferred solution, in our view, would be to find a master developer to execute an Airport Business Park master plan.³⁷

Revenue to the Town of Erie and Airport Enterprise Fund would come in the form land leases, property taxes, and sewer/water hook-up and usage fees. At the end of the lease-term, improvements on the property (i.e., buildings) would revert to the Airport Enterprise Fund.

- **Private Development with Commercial Through the Fence Agreement:** An alternative approach would be to have private developers acquire the land, develop the Airport Business Park, and have through the fence access via a negotiated agreement.³⁸ While this could represent a smaller revenue stream for the Airport Enterprise Fund, it would also eliminate the need to undergo the AIP funding process.

Revenue to the Town of Erie and Airport Enterprise Fund would come in the form Through the Fence fees, property taxes, and sewer/water hook-up and usage fees.

³⁵ Up to 95% grant funding, see discussion in Section 6.

³⁶ We would also note that certain components of the Airport Business Park could be a challenge for FAA approval, such as retail and mixed use/commercial, as these represent non-aviation uses of the land. That said, we would note that Denver International Airport a gas station on the property and plans were announced for a major retail project along Pena Boulevard and near the 45-minute cell phone lot waiting area on land that was originally acquired using FAA grants and bonding. Moreover, there is a national trend toward airports turning to non-aviation revenue sources as a way to pay down debt and reduce fees to aviation users.

³⁷ Regardless of whether this plan would be implemented by a master developer or developers of individual leases, we would recommend that a comprehensive master plan for the site be developed so that the Town of Erie does not find itself facing a hodge-podge of mismatched, unattractive buildings along the gateway of County Line Road.

³⁸ It is understood that the Town of Erie does not own the land, but that the current owners have listed it for sale. To induce the land owner to go along with this plan we would recommend consideration be given to a shared-cost between Town and land owner to retain an urban planner to develop a more detailed rendering of the Airport Business Park concept and for marketing the parcel and concept.

Cost-Benefit Analysis

Boyd Group International has prepared cost-benefit analyses for both land ownership scenarios, and provided on Table 4.8.³⁹

Table 4.8 – Airport Business Park, Cost-Benefit Analysis

Alternative #1 - Land Acquisition and Addition to ALP			
Funding Source		% Share	Funding Level
FAA Grant		90%	\$4,320,000
CDOT Grant		5%	\$240,000
Erie Municipal Airport Share		5%	\$240,000
Land Acquisition Total		100%	\$4,800,000
Hypothetical Revenue Scenario			
Potential Revenue Benefits - Town of Erie	LOW	BASELINE	HIGH
Property Tax Improvements (Buildings)			
4 - Aviation/Light Industrial Buildings including Apron Areas	\$6,400,000	\$8,000,000	\$10,000,000
1 - Light Industrial Building	\$1,800,000	\$2,500,000	\$3,500,000
2- Mixed Use/Commercial/Retail	\$3,000,000	\$5,000,000	\$8,000,000
Total Value	\$11,200,000	\$15,500,000	\$21,500,000
Estimated Property Tax Revenue	\$19,880	\$27,513	\$38,163
Land Lease Revenues - Airport Enterprise Fund			
Approximately 800,000 sq. ft. @.28 per sq ft	\$224,000	\$224,000	\$224,000
Incremental Aircraft Activity			
Additional Aircraft Hours - Transient Aircraft to Visit Businesses in Business Park	100	150	225
Fuel Consumption per Hour	15	15	15
65% Fuel Tax Refund at \$.06 per gallon/100LL	\$59	\$88	\$132
Less: Increase in Annual Maintenance Costs	\$1,200	\$1,200	\$1,200
NET INCREASE IN AIRPORT ENTERPRISE FUND REVENUES	\$222,859	\$222,888	\$222,932
Time Required for Airport to Recover Investment			
Years in Constant Dollars	1.1	1.1	1.1
Alternative # 2 - Private Developer and Through the Fence			
Funding Source		% Share	Funding Level
FAA Grant		90%	\$0
CDOT Grant		5%	\$0
Erie Municipal Airport Share		5%	\$0
Land Acquisition Total		100%	\$0
Hypothetical Revenue Scenario			
Potential Revenue Benefits - Town of Erie	LOW	BASELINE	HIGH
Property Tax Improvements (Buildings)			
4 - Aviation/Light Industrial Buildings including Apron Areas	\$6,400,000	\$8,000,000	\$10,000,000
1 - Light Industrial Building	\$1,800,000	\$2,500,000	\$3,500,000
2- Mixed Use/Commercial/Retail	\$3,000,000	\$5,000,000	\$8,000,000
Total Value	\$11,200,000	\$15,500,000	\$21,500,000
Estimated Property Tax Revenue	\$19,880	\$27,513	\$38,163
Through the Fence Revenues - Airport Enterprise Fund	\$8,000	\$8,000	\$8,000
Incremental Aircraft Activity			
Additional Aircraft Hours - Transient Aircraft to Visit Businesses in Business Park	100	150	225
Fuel Consumption per Hour	15	15	15
65% Fuel Tax Refund at \$.06 per gallon/100LL	\$59	\$88	\$132
Less: Increase in Annual Maintenance Costs	\$1,200	\$1,200	\$1,200
NET INCREASE IN AIRPORT ENTERPRISE FUND REVENUES	\$6,859	\$6,888	\$6,932
Time Required for Airport to Recover Investment			
Years in Constant Dollars	0.0	0.0	0.0

³⁹ Basic assumptions with regard to costs have been applied regarding land valuation based on assessments and comps, while building cost estimates are based on a review of other Airport Business Parks.

As illustrated, acquiring land and entering into a land lease agreement provides the Airport Enterprise with much greater revenue streams. However, it also requires an initial cash requirement that exceeds the available surplus and puts the Airport in a position of assuming risk. Alternatively, a strategy of an independent developer entering in a commercial Through the Fence agreement reduces revenue to the Airport Enterprise Fund, but also virtually eliminates risk to dollars.

Based on the above cost-benefit analysis, our recommendation is to pursue the Airport Business Park via a partnership with third-party and provide Through the Fence access as a revenue generating mechanism for the Airport Enterprise Fund. In Colorado two partnerships are in the formation process one at the Durango-La Plata County airport and another at the Canon City-Fremont County airport.

A list of potential developers/partners for the Airport Business Park is provided in Appendix C.

Coal Creek Crossing

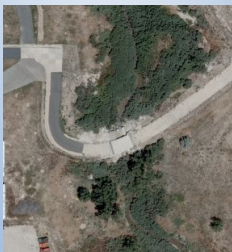
Access for aircraft between the Airport and Airport Business Park would be via a crossing that traverses Coal Creek, as shown on Figure 4.6. The current crossing is privately-owned and provides commercial Through the Fence access for existing businesses along South Main Street, including AeroSystems and the *Spirit of Flight* Center.

For the purposes of the conceptual plan related to development of an Airport Business Park, we have assumed that the crossing to the Airport Business Park would remain at the current location. As alluded to elsewhere in this Study, however, even though Boyd Group International are not civil engineers it is obvious to our layman's eye that this structure is of highly-questionable structural integrity and requires replacement. While the crossing is privately-owned and responsibility of the current owner, we have prepared an estimate of the replacement cost should at some point the Town or Airport Enterprise Fund decide to acquire the crossing.⁴⁰

For purposes of this analysis, we have assumed that the replacement crossing would be built to the B-I Airport Reference Code (ARC) standards as established in the Erie Municipal Airport Master Plan. In simple terms, this means a taxiway with weight bearing strength of 12,500 pounds and width of 25 feet.

To estimate the cost of replacing the crossing, a number of documents were referenced including FAA Advisory Circular 150/5300-13; U.S. Department of Transportation, Federal Highway Administration, Office of Bridge Technology; and various construction trade journals accessed via the Internet. Based on this review, we have estimated replacement costs to

The current crossing over Coal Creek to allow aircraft access to Erie Municipal Airport is viewed as critical to the success of the Airport Business Park project by clearly needs replacement.



A replacement is estimated to cost approximately \$183,000.

⁴⁰ As with the other cost estimates provided in this document, it is important to stipulate that these are very preliminary in nature and the Boyd Group International is not an engineering firm. While best efforts have been made to provide reasonable estimates of costs, all of the infrastructure projects outlined in this Study would eventually require design and costing by a professional engineering firm.

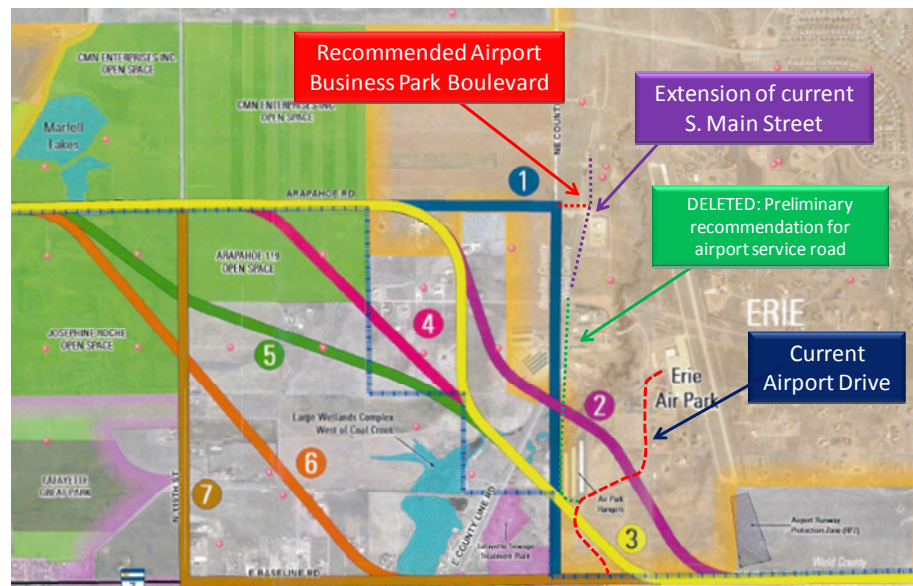
approximate \$50 per square foot. Assuming a 25 foot width and 125 foot length, including approach to the crossing, we estimate the replacement cost at \$167,109. The addition of striping and taxiway lighting adds approximately \$15,713, increasing total project cost to \$182,822. Demolition of the existing crossing would cost an estimated \$15,000-to-\$20,000 dollars.⁴¹

Vehicular Airport Access

Presently, Erie Municipal Airport has a single point of vehicular access via Airport Drive located on the southwest corner and connecting to State Highway 7.

This portion of Highway 7 near Erie Municipal Airport is a two-lane road that in recent years has experienced a large increase in volume resulting from new housing developments (including Vista Ridge and Anthem Ranch). The Town of Erie recently conducted an assessment of State Highway 7 to identify potential realignment alternatives to create new economic development opportunities and a new entrance to the Airport. The findings of the study will be presented to the Colorado Department of Transportation, which is planning to widen State Highway 7 to four lanes.

Figure 4.9 – Highway 7 Realignment & Airport Access



The study yielded seven alternatives for State Highway 7 (see Figure 4.9). All of the alternatives are compatible with the Erie Municipal Airport, except Alternative #2, which would cut-off access from the Air Park Hangars to the Airport. It is our understanding the Alternative #2 is no longer under consideration.

⁴¹ Note that estimates do not include costs related to providing a tunnel or fencing for the planned trail system under the taxiway crossing.

It is also our understanding that Alternatives #6 and #7 are also no longer under consideration as this would result in traffic being diverted from County Line Road that runs basically parallel to Runway 15-33 and which represents a corridor for economic development, including the potential for an Airport Business Park as discussed above. Boyd Group International fully agrees with this decision.

While Alternative #3 would not impede Airport operations, it would slice through the land identified as Sector C in the adjacent Study Area and which Boyd Group International believes represents an ideal (but certainly not the only) location for a hotel and restaurant development.⁴²

Airport Access Recommendations

Regardless of which alternative is adopted, Boyd Group International recommends the following with regard to vehicular access to Erie Municipal Airport:

- **Current Airport Drive:** As none of the remaining options related to realignment of State Highway 7 would have a major impact, we recommend making no adjustments to Airport Drive.⁴³ Under this plan, Airport Drive would remain the primary entrance to the Erie Municipal Airport for access to the airfield and FBO.
- **Airport Business Park Boulevard:** Develop a new “gateway” road to the recommended Airport Business Park, creating a four-way intersection with Arapahoe Road and County Line on the western end and a three-way “T” intersection on the eastern end with South Main Street.
- **South Main Street:** As currently configured, South Main Street is a dead-end terminating north of the *Spirit of Flight Center*. Concurrent with the development of the Airport Business Park, South Main would be extended to intersect the recommended Airport Business Park Boulevard.

We would note that the above recommendation represents a slight deviation from our preliminary recommendation. Earlier we proposed eliminating the intersection of Airport Drive and State Highway 7, and routing that traffic onto a new service road that would have wrapped behind the Air Park Hangars and intersecting with the above recommendations at the southern end of South Main Street (see Figure 4.6). This recommendation has been eliminated based on the simple fact that it would have any unnecessary cost (including a crossing traversing Coal Creek that would support a fully-loaded fuel truck) and when completed would not offer any meaningful traffic flow advantages over the final recommendation above.⁴⁴

⁴² Sector C is privately owned by the same principals developing the Erie Hangar Complex. During our interview with this developer, it was brought to our attention that a hotel was at one time planned for the site, however the project was scrapped due to a lack of connectivity with local sewer and financing challenges.

⁴³ Airport Drive would be shortened if Alternative #3 is ultimately selected, however it is reasonable to assume that this would be funded as part of the overall realignment project.

⁴⁴ One suggestion we would make related to maintaining the intersection of Airport Drive and State Highway 7 is installation of turning lanes.

Recommended Development Targets for Adjacent Study Area

As outlined in the previous section, Sectors A, F and H in the adjacent Study Area are currently comprised of residential housing and, with the possible exception of Sector A, this is unlikely to change. Sector B is presently being developed as the Convair Hangar development, and the south end of D is reserved for the recommended Airport Business Park.

Boyd Group International's recommended targets for economic development in the remaining Sectors are provided below.

- Sector A:** Sector A, located on the Southwest corner of Runway 15-33, is comprised of 10 zoned residential zoned lots with Through the Fence privileges (see Figure 4.10). These are the only lots west of the runway that are zoned for residential, with all remaining lots in the Erie Air Park located east of Runway 15-33.⁴⁵

Figure 4.10 – Sector A: Residential Lots West of Runway 15-33



Until such time as a contiguous block of residential properties on the west side of Runway 15-33 can be acquired, we do not see a reasonable return on investment for the Airport Enterprise Fund.

From the perspective of Airport economic development, acquisition of these properties by the Airport Enterprise Fund would result in elimination of residential Through the Fence on the west side of the runway, and create prime land for aeronautical use development, including potential relocation of the FBO building. Given that residential

⁴⁵ Not all of the lots currently have structures on them.

development has been deemed incompatible with airports by the FAA, we believe such acquisitions would be supported by the Federal government with Airport Improvement Program (AIP) grants.

The reality, however, is that the Town simply can't view these properties from a singular perspective of economic development opportunity, but must also take into consideration the fact that these are private properties which are, in some cases, long-time homes of Erie residents. In this context, unless there are willing sellers we cannot advocate forced sales.

As of the date of this Study, there are two lots for sale in Sector A and these are indicated on Figure 4.10. These two lots by themselves, however, do not represent an opportunity for commercial development. In our view, the contiguous lots north of the Airport Drive spur that connect with the FBO parking area and aircraft apron represent the minimum parcel necessary for viable commercial development. Also, the Airport Drive spur would provide reasonable barrier between commercial development to the north and remaining residential zoning to the south.

The resultant challenge is that even though AIP grants would assist with 90% of the acquisition cost (up to 95% assuming matching CDOT funds), until such time as the minimum lots described above could be acquired to facilitate commercial development there would be no return on investment (ROI) on the 5-10% of costs that would be required of the Airport Enterprise Fund. In this context, we do not view this as a viable component of an economic development plan for Erie Municipal Airport in the foreseeable future.

- **Sector C and G:** As discussed below, these sectors represent ideal locations for hotel development which could provide the necessary spark for additional economic development. Alternatives include light industrial or mixed-use/commercial that can take advantage of frontage on State Highway 7.
- **Sector E:** Plans are in place for the northwest corner of Sector E, however the location across County Line Road and south of Arapahoe Road represents in our view an ideal location for retail, restaurants, and gas stations, not only because of the traffic this area is likely to see as the region grows, but also due to the benefit of being across from the recommended Airport Business Park.

Other Infrastructure Enhancements at Erie Municipal Airport

The Appendix of this Study provides responses to Parts 3 through 5 of the survey forms distributed at the Airport Open House events and via the Town's website. Summarized below are the more common suggestions, and ones that Boyd Group International believes can increase transient activity airport at Erie Municipal Airport:

Airport Restaurant

One of the most oft repeated suggestions was the need for airport restaurant to attract transient pilots looking for the "\$100 Hamburger" and local residents to the Airport.⁴⁶ Boyd Group International agrees that this could boost airport activity. For such a venture to be successful, however, it would need to reach both the identified target markets and therefore require access from the FBO apron area and public roads. Not to be overlooked, an airport restaurant needs a view of the airport.

The current FBO building does not have room to accommodate a restaurant and there is no other building on Airport property that reasonably could. While construction of new building on a land lease from the Airport is possible, based on our knowledge of the general aviation airports we do not believe such an approach has economic viability.⁴⁷ As a result, we do not believe that an airport restaurant is a near-term reality for Erie Municipal Airport, but that plans for one should be included when the FBO/Terminal building is replaced. We would recommend that the Town approach this as a simple lease arrangement, similar to the lease of office space in the current FBO building by flight schools, with the possibility of profit sharing clause in the contract. Under no circumstances are we suggesting that the Town of Erie enter into the restaurant business.

Hotel

There is a lack of hotel rooms in the vicinity of Erie which inhibits economic development within the Study Area, but also on a wider scale throughout the Town. We would suggest that recruitment of hotel developer be a focus point for the Town with the most desirable location being on the recommended Airport Business Park so the land lease revenue could accrue to the Airport Enterprise Fund. Alternative locations include land identified in Zones C and G which would benefit from traffic along State Highway 7. Regardless of the location, we believe that access to a hotel would enhance the commercial viability of land in the Study Area.⁴⁸

While no format feasibility analysis has been done, cursory reviews indicate that the hotel concept should be pursued vigorously. This is a tremendous opportunity:

- There is very limited branded hotel space in the region. A WFB (with food and beverage) property would draw business from the I-25 corridor.

⁴⁶ A \$100 hamburger is an aviation slang term for a general aviation pilots looking for an excuse to and decides to dine at a non-local airport. "\$100" originally referred to the approximate cost of renting a light aircraft for the two or three hours it took to fly round-trip to a nearby airport.

⁴⁷ Lack of access to the Town's wastewater system is another impediment.

⁴⁸ It is noted that a hotel is planned for development as part of the Colorado National Golf Club and while this would certainly provided economic benefits to the Town of Erie, we do not believe they would be as strong as if located along State Highway 7. Additionally, given the lack of hotel beds in the general area, we do not believe that dual hotel projects would represent an "either-or" proposition.

The Airport can be a magnet for additional revenue-generation.

One of the challenges is the state of the current FBO building, which should be re-situated.



A hotel on the property should be a priority, and represents a huge opportunity for EIK.

Anthem, for example, is a retirement community – these tend to generate substantial visitor business which would be perfect for a hotel located on the EIK property.

- In addition, a retirement community such as Anthem tends to generate substantial family visitor traffic.
- A hotel property on the south side of the study area could also be the catalyst for bringing sewer lines to that sector, facilitating additional development.
- The hotel could also satisfy the potential for an on-airport restaurant.

Rental Car Services

Availability of rental cars on the airport would make Erie Municipal Airport more competitive in capturing business aviation that is seeking access to northeast Boulder County and southwest Weld County. A prime target would be Enterprise, which specializes in rental to insurance companies and auto dealers. In this line, Enterprise seeks facilities that are inexpensive and to which consumers need to drive. EIK would be a prime candidate.⁴⁹

FBO Courtesy Car

We suggest the FBO provide a courtesy or shuttle service for use by transient pilots. This would allow them to go into the Town of Erie and patronize existing businesses, as well new businesses that emerge as the Airport Economic Development Study is implemented. As with rental car services outlined above, this would also make the airport more attractive for business aviation.

Colorado National Golf Club

The proximity of Erie Municipal Airport to Colorado National Golf Club (literally across Bonanza Drive on the east end of closed Runway 9-27) represents a unique advantage among small, general aviation airports, and efforts should be made to capitalize on this opportunity by “linking the Airport with the links.” This could take two possible forms:

- Establishment of a courtesy van service that can pick-up flyers at the FBO and transport them to the golf course represents the easiest and most cost effective connection between the two facilities.⁵⁰ This could be supported with a direct telephone installed in the FBO facility to arrange for pick-up, similar to hotel courtesy phones found in the baggage claim areas of commercial airport terminals.
- The possibility exists for Colorado National Golf Club to acquire currently undeveloped residential parcels at the east end of closed Runway 9-27 for a “short-term” parking area where pilots could fly into EIK, use the

⁴⁹ As noted elsewhere in this document, the runway length and weight limits require that expectations about the level and type of business aviation activity that Erie Municipal Airport can realistically attract be tempered.

⁵⁰ This would operate on public roads, namely State Highway 7 and Airport Drive. Boyd Group International against any plans to drive golfers across the Airport as given the lack of a perimeter service road this would require transiting the active Runway 15-33, representing an obvious safety hazard.

Colorado National Golf Club represents an opportunity for Erie Municipal Airport that provides an advantage over most other small, general aviation facilities.



Efforts should be made to market the two facilities as a *de facto* package deal, as well as physically connect them.

current 9-27 taxiway, tie-down their aircraft in this area for the day, travel across Bonanza Drive and play a round of golf (see Figure 4.11). It is worth noting that this would add commercial through the fence revenues for the Airport Enterprise Fund.⁵¹

Figure 4.11 – Potential Golf-Airport Link Point



We would also recommend that a focused effort be made to cross-promote the Airport and golf course, including on the respective websites of each facility (see discussion below regarding enhanced Internet presence for the Airport).⁵²

Finally, we note that in our discussions with CDOT officials it was mentioned that a golf course was recently developed near the airport in Holyoke, Colorado, and since that time there has been a marked increase in aircraft traffic.

⁵¹ This plan would require rezoning of the specific parcels of property. Also, so as not to dilute revenue of the FBO operator, would recommend that no aircraft services be offered in this area and that tie-downs be limited to daylight hours with overnight tie downs limited to those areas west of Runway of 15-33. Pilots could radio the FBO operator when inbound advising their intention to utilize the golf parking area, and the FBO could advise the golf course to arrange a cart drop-off and collect green fees (similar to Enterprise Rent-A-Car delivering the car to the customer).

⁵² We would also encourage the Colorado National Golf Club and Vector Air to work together to develop a mutually beneficial incentive program that can develop this business, such as a few cents off per gallon of fuel with a valid green fees receipt.

Incorporating the Airport into the Erie Community

Erie Municipal Airport is an economic opportunity for the Town of Erie, and must be considered as important as any other such investment. As was noted in Section 3 of this Study, however, while perceptions of the Erie Municipal Airport are generally positive two areas of concern the emerged in survey feedback.

- Among Airport users there is a definite perception that the Town is unsupportive of the facility; and
- Residents of the Town who do not regularly use the Airport see it as a taxpayer supported playground for wealthy residents to play with their expensive airplane “toys.”

While we do not believe either perception represents reality, the perceptions by citizens unconnected with aviation are understandable, and are typical across the nation of man-in-the-street views of general aviation. We offer the following recommendations as part of the Development Plan to address these attitudes:

Signage

In addition to physical improvements to the facilities at Erie Municipal Airport outlined elsewhere in this system, Boyd Group International believes that signage at the Airport to be brought up to a standard that is consistent with other Town assets. It is our view that such signage would communicate to current and potential users and tenants that the Town’s commitment to the Airport is just as strong as other community assets and that this could aid in the retention and future recruitment of based aircraft and business activity. For non-users of the Airport, the signage would reinforce the message that Erie Municipal Airport is a critical component of the Town’s infrastructure and, like a library or community center, contributes to overall quality of life and economic opportunity.

While it is difficult to assign a numerical benefit to a sign, we estimate the cost for such at between \$15,000 and \$20,000.

Increased Community Interaction with Airport

Boyd Group International believes that if opportunities exist for the community to interact with the Airport on a more frequent basis, appreciation for the facility will increase. To this end, we recommend incorporating an area with view of the Airport where families can picnic and watch airplanes take-off and land. This area could be a separate small park or added to the existing trail plan. A particularly interesting suggestion from a member of the community came in the form of a mock control tower in the park equipped with a speaker that visitors could listen to aircraft communications.

Notwithstanding the strong commercial potential, some of the higher elevations in Sector C would be ideal for such a park as it offers tremendous views of both the airfield to the northeast and mountains to the west. If this location were selected, a connecting spur to the trail system would be recommended for inclusion. Alternatively, land in the area north of Runway 15-33 (Sector D) is recommended for consideration.

Either in conjunction with or separate from a picnic area, we also recommend consideration of “community gardening” plot near the Airport. Given the large amount of high-density housing that is being developed throughout the Town, the opportunity for families to have a small garden near their home could drive greater overall appreciation for the Airport. Simply, the key point is this: Provided it can be accomplished in a manner that is consistent with overall safety and security, the interaction of the Airport and Trail System should be viewed not as an obstacle but as an opportunity.

Communication Plan

Boyd Group International believes a more proactive communications plan related to Erie Municipal Airport is necessary to dispel some of the incorrectly held perceptions of the facility, including that it is subsidized by the Town and that it is really nothing more than a playground for hobbyists. This would focus on the range of services offered at the Airport, the activity on the airport and resultant economic impact, and how the Airport contributes to overall quality life.⁵³ Additionally, as part of any Airport management plan that is adopted, we would recommend that a centralized point of contact for all residents, tenants, and interested groups (i.e., Friends of Erie Airport, Erie Airport Economic Development Council, etc.) be established. The currently diffused nature of communication is, in our view, counterproductive to the shared goals of advancing the Airport.⁵⁴

Enhanced Internet Presence

Finally, we strongly believe that the Internet presence of the Erie Municipal Airport needs to be enhanced on the Town’s website. Simply put, similar to the Community Center, Erie Municipal Airport is a unique community asset with unique perception issues and unique opportunities. We would suggest that the Airport page of the website be enhanced to include a webcam of the airfield and FBO apron area, enhanced information on services available, opportunities for commercial through the fence development, and links to airport tenants and entities that support the Airport, such as Friends of Erie Airport, Erie Airport Economic Development Council.⁵⁵

⁵³ CDOT estimated an annual economic impact of \$12 million from Erie Municipal Airport during 2008, but this figure represents the benefit accruing to the entire State of Colorado. We would recommend drilling down the benefits estimate directly to the Town of Erie.

⁵⁴ It is noted that the contract with FBO contract Vector Air gives them responsibility for marketing the Airport. The reality, however, is that marketing and public relations activities are not a core competency of this entity and the odds of them successfully developing and executing an effective communication plan for Erie Municipal Airport are likely low.

⁵⁵ This would be no different than links on the Town’s website to the Erie Chamber of Commerce or Upstate Colorado Economic Development.

While the first two recommendations above – signage and physical integration – are likely to be incorporated into a phased Development Plan, we believe the implementation of the communications plan and enhanced Internet presence can and should be initiated on a faster timeline. This would ensure that Town residents and Airport users (both current and prospective) recognize the commitment to and important economic contribution of Erie Municipal Airport.

5. Airport Enterprise Fund

Traffic Base at Erie Municipal Airport

Activity at Erie Municipal Airport is presently comprised mostly of private flying and flight training. There is minimal activity at the airport from other components of general aviation, including air ambulance service, banner towing operations, and a small component of corporate/business aviation. Additional aviation activity comes from aircraft inbound to businesses located at the Airport, including AeroSystems, Rocky Mountain Propeller, and Vector Air.⁵⁶

While in previous sections of this document we have outlined strategies and alternatives to increase and diversify the revenue streams at Erie Municipal Airport and in the adjacent Study Area, and we do believe that these recommendations can result in higher levels of overall aviation activity at EIK, we do not foresee a material change in the mix of that activity.

In particular, we would note that business aviation activity is expected to remain a relatively small percentage of operations at the Airport. We reached this conclusion based on evaluation of other airports along the Front Range competing for such aviation activity, and which generally already offer a greater level and choice of ground services, have airfield capabilities better suited for aircraft typically deployed in business aviation missions, and which are strategically located nearer to existing economic activity (See Table 5.1).

Table 5.1 – Other Airports Along Colorado Front Range

Airport	Designator	Longest Runway (feet)	Runway Weight Limit (lbs)	U.S. Customs	Approaches	Air miles to EIK	Nearby Economic Activity
Greeley-Weld County Airport	GXY	10,000 x 100	45,000	No	ILS/DME	32nm	City of Greeley
Rocky Mountain Metropolitan Airport	BJC	9,000 x 100	75,000	Yes	ILS	7nm	Interlocken Business Park, CU-Boulder, City of Boulder, City of Broomfield, Flatiron Crossing, Denver
Centennial Airport	APA	10,002 x 100	75,000	Yes	ILS/DME	28nm	Denver Tech Center, University of Denver, Denver Downtown Business District, Park
Fort Collins-Loveland Municipal Airport	FNL	8,500 x 100	130,000	No	ILS	27nm	City of Fort Collins, City of Loveland, Colorado State University, Medical Center of the Rockies
Vance Brand Airport	LMO	4,800 x 75	30,000	No		11nm	City of Longmont
Boulder Municipal Airport	BDU	4,100 x 75	16,000	No		8 nm	Interlocken Business Park, CU-Boulder, City of Boulder, City of Broomfield, Flatiron Crossing, Denver Downtown Business District

⁵⁶ In addition to FBO operations, Vector Air is an authorized service center for Cessna Aircraft (single-engine aircraft), Cirrus Aircraft, and Enstrom Helicopters.

It is important to note that marginal increases in business aviation activity may occur in coming years, particularly as more “entry-level” business jets such as the Cessna Mustang, Embraer Phenom 100, Raytheon Premier I, PiperJet, etc., come on the U.S. registry, however the core business of aviation activity at Erie Municipal Airport is and shall remain general aviation consisting primarily of private flying and flight training.⁵⁷

Boyd Group International does not necessarily view this as negative for Erie Municipal Airport. As noted, current community perceptions of the Airport range from ambivalence to supportive. A material change in the nature of operations that results in a large increase in jet traffic comes with it the risk of the community actively turning against the Airport.

Historical Airport Enterprise Fund Analysis

Overview

Overall the Erie Municipal Airport has been able to generate enough total funds to cover all operating and capital expenditures. However, operationally the airport lost money between 2006 and 2008 primarily as a result of a decrease in fuel sales and a corresponding increase in core operating expenses. Estimates for 2009 show the airport will again be operating in the black which is attributed to cost savings from a new management service agreement with Vector Aircraft Services that became effective in early 2009.

Airport Revenue Streams

For the year ending in 2006, airport operating revenue, excluding non-recurring items, increased at a rate of 18-20% year-over-year driven primarily by aviation fuel sales. In 2007 total revenue peaked along with fuel sales and decline in the following year. In early 2009, Management of aviation fuel was transferred to the Fixed-Base Operator (FBO) as part of an overall airport service agreement (See Table 5.4).

Revenue from the airport’s core business (rent and Through the Fence fees) declined 2.4% over the five year period ending in 2008. While there was not an adjustment to basic rental rates during this period, the amount of airport access fees reported declined year-over-year from 2005 through 2008 indicating either a drop in airport access activity and/or a reduction in the collection of fees due the airport.

⁵⁷ We would note that the anticipated revolution from low-cost, highly-efficient Very Light Jets (VLJ) that was hyped early in the decade is unlikely to materialize. The two major companies driving these programs, Eclipse Aviation and Adam Aircraft Corporation, have both filed for bankruptcy and the largest provider of much touted “on-demand” air taxi service, DayJet, has also ceased operations. The remaining small jets in production and development follow more traditional business models for business jet programs and are not expected to lead to a large increase in the overall fleet size or types of companies operating business aircraft.

Changes in Airport Revenue

In 2007, the Town entered into a lease agreement with Vector Air, LLC allowing it to run a Fixed-Base-Operations (FBO) at Erie Municipal Airport. The lease included the first floor of the FBO Building, the attached hangar area, and 12 tie-downs on the adjacent ramp. As part of the lease, Vector consented to conduct specific operational duties at the Airport that were previously performed by Town staff.

In early 2009, the Town of Erie entered into an amended agreement with a three-year term in which Vector became responsible for day-to-day management of Erie Municipal Airport. In exchange for performing airport maintenance duties previously provided by the Town of Erie, Vector received compensation through fuel revenue and aircraft tie-down rental fees.

As a result of the FBO lease and management services agreement, the airport revenue streams shifted from a dependence on aircraft fuel sales, 54% of total revenue in 2003, to a revenue mix dominated by lease revenue in 2009 where FBO fees represented 46% of total airport revenue. Revenue from the airport's core services, leases and access fees, increased from 42% of total revenue in 2003 to 88% of total revenue in 2009.

The resultant impact on Airport revenues between 2003 and 2008 is reflected in Figures 5.2 and 5.3.

Figure 5.2 – CY2003 Airport Revenue

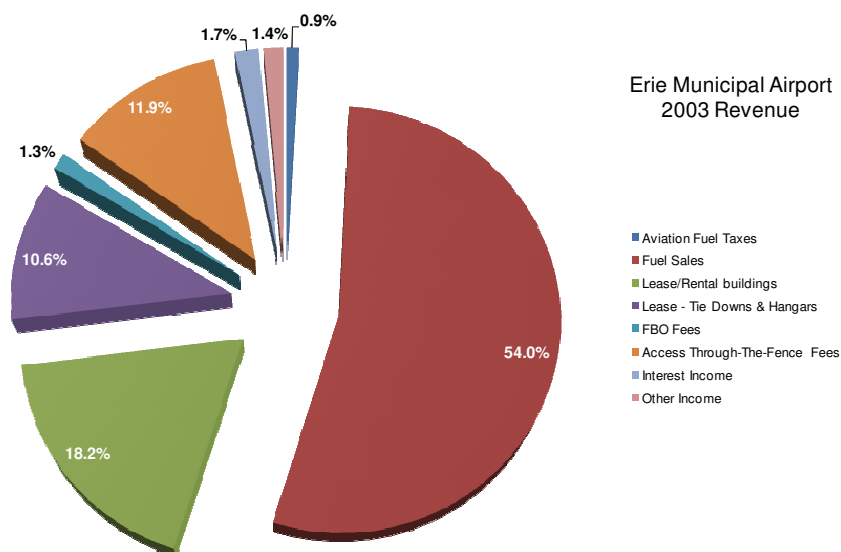
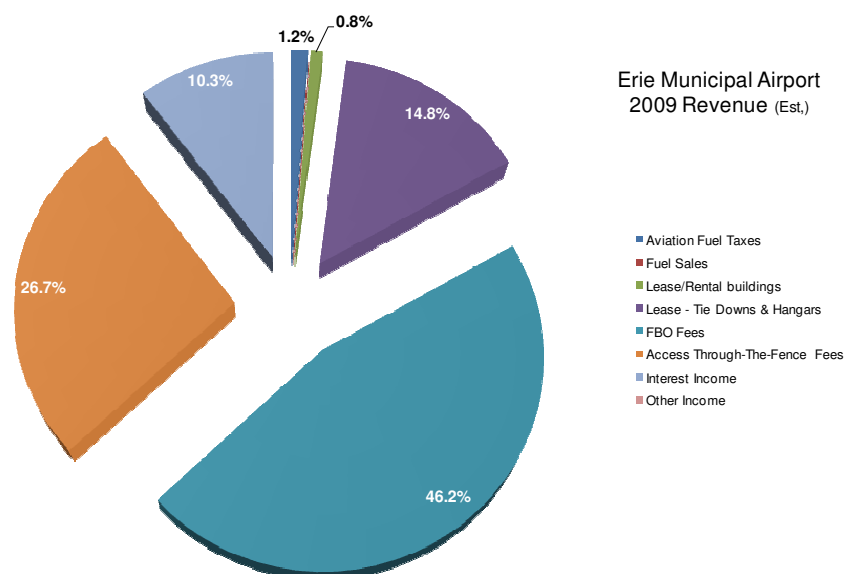


Figure 5.3 – CY 2008 Airport Revenue



Airport Operating Expenses

Airport operating expenses increased proportional with revenue between 2003 and 2007, but subsequently declined in 2008 reflecting the amended agreement with Vector Air. In 2008, airport operating expense declined by 62% as compared with a 67% reduction in operating revenue for the same period (see Table 5.4).

Operating margin for the Airport Enterprise Fund improved from 6.6% in 2003 to 18.4% in 2008.

Table 5.4 – Historical Statements for EIK Airport Enterprise Fund

EIK Airport Revenue - Description	Actual 2003	Actual 2004	Actual 2005	Actual 2006	Actual 2007	Actual 2008	Budget 2009
Aviation Fuel Taxes - Colorado	\$1,711	\$3,347	\$2,014	\$3,075	\$2,443	\$5,162	\$1,200
Fuel Sales	106,906	154,956	190,254	256,882	249,113	44,664	-
Aviation Fuel Tax CO Rebate	-	-	-	-	-	-	-
Lease/Rental buildings	36,010	44,180	44,860	43,211	5,718	720	800
Lease of Tie Downs and Hangars	20,941	19,076	20,396	17,597	15,029	10,151	14,400
FBO Fees	2,500	-	-	-	37,400	44,650	45,000
Access Through-The-Fence Fee:	23,663	24,915	25,985	26,417	25,667	25,567	27,000
Interest Income	3,463	4,910	14,983	21,325	25,109	19,692	10,000
Miscellaneous Revenue	2,830	2,635	352	486,722	142,878	11,089	-
Total Operating Revenue:	\$198,024	\$254,019	\$298,843	\$855,228	\$503,357	\$161,695	\$98,400

EIK Operations Expense - Description	Actual 2003	Actual 2004	Actual 2005	Actual 2006	Actual 2007	Actual 2008	Budget 2009
Benefit Transfer From General	\$0	\$0	\$13,887	\$17,039	\$3,623	\$701	\$700
Salaries - Regular & Emp Benefit	44,596	57,712	49,894	62,976	13,433	3,659	2,600
Travel, Training and Uniforms	433	265	677	633	-	-	1,200
Aprons/Runway Maint Services	2,862	500	273	3,888	9,231	17,750	18,000
Bldgs/Grounds Maint Services	3,104	1,643	7,394	7,919	48,148	3,444	5,500
Vehicle Maint & Fuel	1,828	1,747	1,170	1,048	-	-	-
Maintenance Contracts	-	-	895	911	1,495	3,789	5,000
Consultation Services	-	1,200	2,800	380	-	32,726	14,000
Legal Services	5	700	9,433	6,342	9,214	4,656	2,000
Utilities - Electric Service	11,827	10,068	12,518	14,050	15,258	15,466	16,800
Utilities - Gas Service	2,672	3,584	5,446	5,258	3,360	3,178	4,800
Utilities - Telcom Allocation	-	-	2,477	2,475	-	-	-
Utilities - Waste Disp Service	1,107	759	844	892	866	1,018	1,000
Utilities - Water Service	942	873	1,006	1,126	1,207	1,677	1,200
Aprons/Runway Maint Supplies	1,411	142	820	588	-	3,009	1,600
Bldgs/Grounds Maint Supplies	1,620	1,418	762	1,559	4,340	1,223	2,000
Tools, Equipment and Supplies	10,014	-	66	135	311	-	200
Fuel - Resale	97,382	131,867	157,962	233,529	226,682	24,799	-
Office Supplies, Printing & Courier	325	265	436	534	-	356	-
Membership Dues	139	100	525	525	265	385	300
Permits, Licenses, Other Fees	561	586	372	372	325	740	600
Bad Debt Expenses	-	269	463	1,085	1,498	243	-
Vector Control (Wildlife Mgt.)	372	2,088	1,000	1,805	1,676	2,001	1,000
Property Insurance	3,810	4,200	5,250	5,515	5,797	11,091	6,000
Total Operating Expense:	\$185,009	\$219,986	\$276,372	\$370,582	\$346,728	\$131,911	\$84,500
Net Operating Revenue	\$13,015	\$34,033	\$22,471	\$484,646	\$156,628	\$29,784	\$13,900

Airport Management

One of the most pressing challenges at Erie Municipal Airport is the day-to-day management, planning, and administration of the facility. An airport is a complex endeavor, and very different in scope and required expertise than those typically undertaken by municipal governments. Erie Municipal Airport is no exception.

Under current management structure, the administrative burden of the airport has fallen to the Town Administrator, which diverts energy and resources away from other important Town matters. Below we have outlined the current management approach to the Airport, as well as provide an alternative approach which has the potential to increase the economic contribution to the Town while simultaneously reducing the administrative burden on Town government.

Current Management Structure

Under the current management structure of Erie Municipal Airport, the Town of Erie Board of Trustees (BoT) serves as the governing body of the Airport, with the Airport Advisory Board (AAB) providing advice on policy issues.

The Town's Public Works Department is charged with operational oversight of the Airport, and the FBO operator Vector Air is contracted to perform specific tasks to ensure that the Airport runs smoothly on a day-to-day basis (i.e., mowing, snow removal, minor maintenance, and marketing of the airport).⁵⁸

Boyd Group International makes the following observations with respect to the current management structure:

- The Airport requires extensive administrative energies not only to manage day-to-day operations of the Airport, but also to effectively capitalize on the economic opportunities that it represents for the Town of Erie.
- The current structure – with the Town Administrator largely directing the Airport – is unsustainable. Every hour the Administrator is haggling with the FAA, or pouring over billing statements, or whatever, is an hour away from addressing the growth opportunities in the Town, which includes opportunities around the Airport itself.
- This creates an administrative and economic conundrum for the Town: to hire a qualified full-time Airport Manager is expensive and current revenue streams simply do not support this payroll expense. The small surpluses currently generated by the Airport Enterprise Fund would likely quickly turn to deficits.
- As referenced earlier in this Study, while we believe the Town of Erie is fortunate to have an operator such as Vector Air as the FBO, we do not believe that marketing represents a core competency of this organization and, as such, that promotion of the Airport is not as effective as it could be. This represents a lost opportunity for maximizing Airport revenues and the economic contribution of the facility to the Town.

Clearly, to mine the economic potential of Erie Municipal Airport, the facility needs focused, knowledgeable management to run day-to-day operations and to execute development plans, including the recommendations contained in this Study. To address this, Boyd Group International has identified a preferred management plan for Erie Municipal Airport, as well as secondary plan (i.e., back-up plan).

⁵⁸ See discussion above related to contractual agreement between the Town of Erie and Vector Air, LLC.

Airports require a unique set of skills and a tremendous amount of staff time and resources to be effectively managed.



The current management structure does not provide Erie Municipal Airport with these basic needs and, in fact, diverts staff resources from other important issues facing the Town.

Preferred Plan: Partnership with Private Airport Development Company

It is recommended that the Town of Erie pursue entering into a long-term lease agreement with a private company for the management, operation and, most importantly, development of Erie Municipal Airport. Under such an agreement, the management company would:

- Assign a full-time facility manager to the site, and be responsible for all accounting and marketing activities of the Airport (some of these functions could be performed from a remote headquarters location).
- Have the right to develop/redevelop any area of the airport (including the FBO Terminal Building as discussed earlier) and would administer the Airport through traditional landlord/tenant relationships, including the relationship with existing FBO operator Vector Air, other on-Airport tenants, and commercial Through the Fence permit holders.
- Be expected to acquire and develop specific airport adjacent properties, including the recommended Airport Business Park outlined earlier in this Study.
- Be responsible for day-to-day operation and maintenance of the Airport, including assets such as the runway, taxiways, lighting, and other airport property. The Airport Enterprise Fund would remain responsible for replacement and repair costs related to runway, taxiways, lighting, and other airport property.
- Be responsible for liaison with regulatory authorities on behalf of the Town, including CDOT and FAA, although responsibility for grant assurances and the like would remain with the Town.
- Report to the Town Administrator on a day-to-day basis, effectively functioning as an “out-sourced” Town department. This would render the Airport Advisory Board unnecessary, with its last official function being participation in the Airport Layout Plan (ALP) alteration.⁵⁹

Under such an arrangement, the management firm would collect all revenues generated on the Airport and Through the Fence fees.⁶⁰ The firm would be responsible for the day-to-day operating costs of the Airport, with the exception being repair and replacement costs as outlined above.

We would caution that the drafting of the agreement would need to be undertaken with special care to avoid the FAA perceiving such as a “privatization” of Erie Municipal Airport. In the case of Oceanside, California (described below) several drafts of the contract were required before it was satisfactory to the FAA.

⁵⁹ See *Section 8: Implementation Plan*.

⁶⁰ This would require renegotiation of the existing agreement with Vector Air, which currently has the right to collect specific revenues in exchange for performing certain daily operational duties that would now be performed by the management company.

Instead of paying a firm to manage Erie Municipal Airport, have a firm pay for the privilege of developing the Airport

The management firm would pay the Airport Enterprise Fund a monthly base fee, plus a negotiated percentage of net income, which would be used to fund the Town's responsibilities related to repair and replacement costs at the Airport. Interest earned on reserves in the Airport Enterprise Fund would accrue to the Fund, not to the Town or management company. In effect, under this strategy an outside company would be paying the Town of Erie for the privilege of operating Erie Municipal Airport, which is the opposite of the opposite of traditional Municipal-Airport Management Firm agreements, whereby the community pays what amounts to professional fees for a specific skill set.

While airport management agreements similar to the terms outlined above are not yet common, they are not unheard of. More importantly, however, Boyd Group International believes that they are likely to become more prevalent as smaller towns and cities seek to make their airport more cost-efficient while maximizing the economic benefits to the community.

A recent example of this strategy and model for the Town of Erie is Oceanside, California. Located 30 miles north of San Diego and 68 miles south of Los Angeles, Oceanside Airport sits on 50 acres and has a single runway (2,712 x 75). The City of Oceanside recently entered into a management agreement with Airport Property Ventures (APV) that calls for APV to manage the airport and gives it exclusive development rights. In exchange, APV makes a monthly payment of \$9,000 to the Airport Enterprise Fund, as well 40% of all net income generated on the Airport.^{61 62} In addition, the firm paid off the City's debt to the State of California related to an airport loan at the beginning of the agreement term.

The Oceanside agreement is the type of agreement that Boyd Group International is recommending for Erie Municipal Airport, and we have identified on Table 5.5 three primary companies which we believe could be interested in bidding on such a contract. We would recommend contacting these firms directly in a Request for Proposals for a management contract, as well as the list airport development firms in Appendix C.⁶³

⁶¹ Note that in the case of Erie, this would mean that the Airport Enterprise Fund would not receive any funds for land or building leases on the adjacent Airport Business Park, but would receive Through the Fence revenues.

⁶² Boyd Group International sought unsuccessfully to obtain a copy of the agreement between the City of Oceanside and Airport Property Ventures.

⁶³ See Section 7: "Implementation Plan"

Table 5.5 – Potential Airport Management Firms for EIK

Company	Contact Information	Description
American Airports Corporation	2425 Olympic Blvd., Suite 650E Santa Monica, CA 90404 Tel: (310) 752-0555 www.americanairports.com	AAC is one of the largest general aviation airport management companies in the United States. AAC also develops and owns aviation facilities and fixed base operator (FBO) facilities. AAC provides a comprehensive program for development, operations and ownership of aviation-related projects by focusing on underutilized assets and offering aviation property owners the opportunity for increased returns, improved efficiencies and expanded economic opportunities. The firm presently management six airports.
Airport Property Ventures (APV)	117755 Wilshire Boulevard, Suite 1800 Los Angeles, CA 90025 Tel: (625) 255-1060 www.airportpropertyventures.com	Airport Property Ventures (APV) is a new company signing its first airport lease agreement in July 2009. Oceanside, CA awarded APV a 50-year lease and operating agreement for the management and development of Oceanside Municipal airport, a public general aviation airport within San Diego County, California.
AFCO (Aviation Facilities Company, Inc.)	7600 Colshire Drive, Suite 240 McLean, VA 22102 Tel: (888) 740-2227 www.afcoinc.com	AFCO services include the management and development of airports, other support facilities, fixed-base operation (FBO) facilities. AFCO completed the acquisition of the trade name and assets of AvPORTS, which includes seven U.S. airport management contracts, from Macquarie Aviation North America, effective January 1, 2009, including management contracts on behalf of local governments at Republic Airport (FRG) in Farmingdale, New York; Stewart Airport (SWF) in the City of Newburgh and the Town of New Windsor, New York; Tweed-New Haven Regional Airport (HVN) in New Haven, Connecticut; and Westchester County Airport (HPN) in White Plains, New York. AvPORTS originated more than 80 years ago as Pan Am World Services, a division of Pan American Airlines and in subsequent buyouts has operated under the name of Johnson Controls World Services and American Port Services. AvPORTS is currently one of the largest private airport management companies in the U.S. with more than 500 employees.

Alternative Plan: Hybrid of Current Management Structure

If an acceptable agreement cannot be reached with an airport management firm, an alternative approach could be represent a hybrid of the current management structure of Erie Municipal Airport. This would involve the following:

- The current arrangement with Vector Air for daily operations and maintenance of the airfield would remain in effect.
- An airport consulting firm would be placed on a fixed-fee retainer to deal with larger management issues such as liaison with FAA, CDOT, tenants, etc., freeing up time of Town staff to perform other functions. The firm would also be charged with marketing the Airport, as well property both on the field and adjacent for development, including the recommended Airport Business Park. This would, in effect, be a part-time, out-sourcing of airport management.⁶⁴
- The airport consulting firm would report to the Town Administrator, as well as liaison with the Airport Advisory Board which would still function as a de facto steering committee for Erie Municipal Airport.
- Responsibility for collection of revenues and payment of expenses would remain with the Town.

While the alternative is clearly not as desirable as the preferred option, we do believe it offers significant benefits to Erie Municipal Airport in the form of cost-effective access to airport management expertise and a reduction in time and resources of Town staff devoted to the Airport.

Projections for Airport Enterprise Fund

Boyd Group International has a forecast of prepared projected operating statements for the Erie Municipal Airport Enterprise Fund for in three, five, and 10-year increments.

Key assumptions in development of these projections include the following:⁶⁵

- Management model providing the basis for projections represents the Alternative Plan (Hybrid) described above. If the preferred plan of retaining a management company to effectively takeover the airport is implemented, the resultant performance of the Airport Enterprise Fund would be nearly impossible to project until specific monthly fees and profit sharing allocations were negotiated, and the details of the management firm's own development plans revealed. Given the assumption of the alternative plan, an appropriate allowance for an airport consultant retainer is provided in the projections.

⁶⁴ The retainer would be charged to the Airport Enterprise Fund.

⁶⁵ All figures assumed to be in constant 2009 dollars.

- Given current economic weakness, revenue from existing sources was assumed to be flat in year three versus the 2009 budgeted figure. Thereafter, annual increases were assumed to 1.5% per year.
- Operating expenses were assumed to increase at a rate of 1.0% per between 2009 and the third year (2012), and then 1.5% per year thereafter.
- We have assumed that Phase I of the recommended FBO apron build-out would occur by evident in year five revenues, and Phase II revenues would appear in year 10 (see Figure 4.4).
- We have assumed that the commercial Through the Fence revenue resulting from the Airport Business Park development would appear beginning in year five.
- Residential Through the Fence fees would increase from the current \$250 per year to \$475 and be evident in projections beginning in year five.

Based on these assumptions, which include increased revenue streams and costs projected in the cost-benefit analyses of the recommendations in this Study, we are projecting an annual operating surplus in the Airport Enterprise Fund of approximately \$26,000 by the end of the Year 3, increasing to \$49,000 by the end of year 5, and \$67,000 by the end of year 10.⁶⁶

⁶⁶ Cumulative gains in the Airport Enterprise Fund should not be assumed due to unexpected maintenance and requirement for local funding of capital projects, including recommendations contained in this Study.

Table 5.6 – Airport Enterprise Fund Proforma Operating Projections

Airport Revenue - Description	Actual 2008	Budget 2009	Year 3	Year 5	Year 10
Aviation Fuel Taxes - Colorado	\$5,162	\$1,200	\$1,200	\$1,200	\$1,200
Fuel Sales	44,664	-	-	-	-
Aviation Fuel Tax CO Rebate	-	-	4,848	5,149	5,664
Lease/Rental buildings	720	800	800	820	884
Lease of Tie Downs and Hangars	10,151	14,400	14,400	31,845	53,936
FBO Fees	44,650	45,000	48,000	49,207	53,057
Access Through-The-Fence Fees	25,567	27,000	37,114	46,032	46,032
Interest Income	19,692	10,000	10,000	10,252	11,054
Miscellaneous Revenue	11,089	-	12,362	12,736	13,852
Total Operating Revenue:	\$161,695	\$98,400	\$128,724	\$157,240	\$185,679
Operating Expense - Description	Actual 2008	Budget 2009	Year 3	Year 5	Year 10
Benefit Transfer From General	\$701	\$700	\$700	\$718	\$774
Salaries - Regular & Emp Benefit	3,659	2,600	2,626	2,705	2,942
Travel, Training and Uniforms	-	1,200	1,200	-	-
Aprons/Runway Maint Services	17,750	18,000	18,180	21,749	25,430
Bldgs/Grounds Maint Services	3,444	5,500	5,555	5,723	6,224
Vehicle Maint & Fuel	-	-	-	-	-
Maintenance Contracts	3,789	5,000	5,050	5,203	5,658
Consultation Services	32,726	14,000	30,300	31,216	33,951
Legal Services	4,656	2,000	2,020	2,081	2,263
Utilities - Electric Service	15,466	16,800	16,968	17,481	19,012
Utilities - Gas Service	3,178	4,800	4,848	4,995	5,432
Utilities - Telecom Allocation	-	-	-	-	-
Utilities - Waste Disp Service	1,018	1,000	1,010	1,041	1,132
Utilities - Water Service	1,677	1,200	1,212	1,249	1,358
Aprons/Runway Maint Supplies	3,009	1,600	1,616	1,665	1,811
Bldgs/Grounds Maint Supplies	1,223	2,000	2,020	2,081	2,263
Tools, Equipment and Supplies	-	200	202	208	226
Fuel - Resale	24,799	-	-	-	-
Office Supplies, Printing & Courier	356	-	323	332	361
Membership Dues	385	300	303	312	340
Permits, Licenses, Other Fees	740	600	606	624	679
Bad Debt Expenses	243	-	202	208	226
Vector Control (Wildlife Mgt.)	2,001	1,000	1,900	2,000	2,213
Property Insurance	11,091	6,000	6,060	6,243	6,790
Total Operating Expense:	\$131,911	\$84,500	\$102,901	\$107,833	\$119,087
Net Operating Revenue	\$29,784	\$13,900	\$25,823	\$49,407	\$66,591



The Erie Municipal Airport Enterprise is projected to generate an average operating surplus of \$67,000 per year by the end of Year 10.

6. Funding Sources for Development

Introduction

Boyd Group International has provided in this document a list of development projects intended to stimulate economic development on and around the Erie Municipal Airport. Like virtually every economic development project, however, before benefits can be realized there needs to be an upfront investment of both time and money.

In this section we have identified funding sources which can be pursued to implement specific projects outlined in this Study. We have also identified government programs (mostly in tax credits) that the Town of Erie can utilize to incentivize private companies to develop on and around the Airport, and particularly in the recommended Airport Business Park.

Airport Specific Grants & Loans

FAA Airport Improvement Program (AIP) Grants

The Federal Aviation Administration Airport Improvement Program (AIP) provides grants for the planning and development of public-use airports. For small reliever airport, AIP grants cover 95 percent of eligible costs.⁶⁷

Projects eligible for AIP grants include those improvements related to enhancing airport safety, capacity, security, and environmental concerns. In general, sponsors (i.e., the Airport) can use AIP funds on most airfield capital improvements or repairs except those for terminals, hangars, and non-aviation development. Fees for professional services that are necessary for AIP eligible projects — such as planning, surveying, and design engineering — are eligible as is runway, taxiway, and apron pavement maintenance and repair. Aviation demand at the airport must justify the projects, which must also meet environmental and procurement requirements as determined by the FAA.

It is important to note that projects related to airport operations and revenue-generating improvements are generally not eligible for AIP funding. In this context, an AIP grant request to fund the recommended expansion of the apron area should be positioned on the basis of expanding the capacity of Erie Municipal Airport. Given the limited number of available T-hangars at the Airport, this would not be an unreasonable argument.

Demand for AIP funds exceeds that availability and the FAA distributes grants based on a set of national priorities and objectives. Typically, AIP funds first apportioned into major entitlement categories such as primary, cargo, and general aviation. Remaining funds are distributed to a discretionary fund.

⁶⁷ Erie Municipal Airport is designated a reliever airport for Denver International Airport.

Within the discretionary fund, noise specific projects and Military Airport Projects receive first priority.⁶⁸ Remaining discretionary funds are distributed according to a national prioritization formula.

Colorado Department of Transportation

As noted, CDOT reimburses 65% of aviation fuel taxes collected at Erie Municipal Airport back to the Airport in form of entitlement funds. The remaining 35% of aviation fuel tax revenue collected are reserved for discretionary grants for maintenance, capital equipment, and developmental needs of public-use airports throughout the State, and a number of the recommended projects in the Study would be eligible for such grants.⁶⁹

State of Colorado, State Infrastructure Bank (SIB) Loan Program

The Colorado Department of Transportation (CDOT) has a program to help fund specific airport projects with low-interest revolving loans from the State Infrastructure Bank Loan Program. Examples of loan uses applicable to Erie Municipal Airport include capital improvement projects, pavement reconstruction, and land acquisitions to protect against incompatible use surrounding an airport.⁷⁰

Grants & Loans Targeting Adjacent Study Area

Listed below we have highlighted specific grant and loan programs available from the federal and state governments and from which the Airport Business Park and/or hotel along State Highway 7 could benefit by facilitating their expedited development.

Federal Economic Development Administration (EDA) Public Infrastructure Assistance

The grants from this program are awarded on a competitive basis to provide required public infrastructure (water/sewer lines, roads, etc.) for new business development/expansion and job creation. A 50% government/private match is required, so such funds would only be available for a project with an identified developer.

⁶⁸ Through the Military Airport Project (MAP), the FAA awards grants to current or former military airfields to assist in the conversion to civilian use and reduce congestion at existing airports experiencing significant delays. Projects not generally funded by the AIP, such as building or rehabilitating surface parking lots, fuel farms, hangars, utility systems, access roads, and cargo buildings, can be funded with the MAP.

⁶⁹ Guidelines related to CDOT discretionary grants are available at:
http://www.colorado-aeronautics.org/CDAG_Grant/GrantManagementManual.pdf

⁷⁰ Guidelines related to the SIB are available at:
http://www.colorado-aeronautics.org/pdfFiles/SIB/SIB_RulesRegs.pdf

Colorado Energy Impact Public Infrastructure Assistance Funds

These state funds are available, on a case-by-case basis, to qualifying projects within qualifying counties. Weld County is a qualifying county. This grant program is funded by oil/gas severance tax collected by the State of Colorado, which since it is based on drilling activity levels has fluctuations in available dollars. These grants, which are awarded on a competitive basis, are intended to assist in the financing of public infrastructure (water/sewer lines, roads, etc.) to encourage new business development/expansion and job creation. As with EDA Public Infrastructure Assistance program, The Airport Business Park and/or hotel along State Highway 7 are the two most obvious recommendations that could benefit from these funds. To be eligible, a local government partial match will be required.

State of Colorado Private Activity Bond (PAB) Financing

Private Activity Bonds (PABs) are authorized to allow counties/municipalities to induce profit and non-profit entities to locate, expand or remain in the community. Borrowers typically receive lower interest rates since bonds are exempt from federal and state income tax. These bonds may be used to finance manufacturing facilities, generally for projects ranging in size from \$3 million to \$10 million, and require local government support and State of Colorado approval. Such bonding could be of assistance in developing light industrial manufacturing facilities inside the Airport Business Park.

Community Development Block Grants (CDBG)

Community Development Block Grants (CDBG) funds are available through the U.S. Department of Housing and Urban Development and managed through the State of Colorado Department of Local Affairs. While there are grant funds to support private for-profit businesses, as it relates to Erie Municipal Airport the most applicable CDBG grant would be for a "community development proposal."⁷¹ Applications for CDBG grants are due by December 1st of each year, and funding is generally available by April 1st.

Specifically, CDBG grants could be used to assist with development of infrastructure necessary to support the recommended Airport Business Park project (Sector D) and to funding to connect Sectors B, C, G in the non-Airport Study Area to Erie's Wastewater System (see Figure 4.7).

CDBG grants for community development proposals are awarded on a competitive basis, with consideration given based on the number of permanent jobs (full and part-time) that will be created/retained, types of jobs that will be created/retained, effect on local tax revenues, relationship between job training needs and proposed project, and whether the proposed project has a valid "prospect in hand." In this context, it is likely that the

⁷¹ As defined by the State of Colorado, "community development proposals" include projects as public improvements in downtown or other commercial areas, public and private non-profit tourist facilities and attractions, public and private non-profit business incubators, and rehabilitation of publicly and privately owned non-residential properties when such properties are integral parts of local government sanctioned and planned community redevelopment, or when such are of historic or commercial importance to a community.

A variety of grant and loan programs are available from the Federal and State government to assist in implementing the recommendations in this Study.

Airport Business Park could qualify for a CDBG but would require a master developer and/or tenants before the application would receive serious consideration.⁷²

ALTERNATIVE: Special Taxing District

To expedite installation of infrastructure necessary to support commercial development in the Study Area, Boyd Group International recommends the feasibility and legality of establishment of a "Special Taxing District" around the Erie Municipal Airport be explored. This district would employ a special property tax to issue bonds to fund expedited connection to Erie's wastewater system, thus shortening the length of time between completion of this Study and initiation of economic development activities.

Economic Development Incentives

There are a number of economic development incentive programs that could be useful in the recruitment of new businesses to the Study Area on, adjacent to, and around the Erie Municipal Airport. These include personal property tax credits, employment generation tax credits and rebates, and other similar programs. Upstate Colorado Economic Development can provide assistance to ensure that as much of the Study Area as possible is eligible for participation, as some of these programs require designation of the properties as specific zones (i.e., Enterprise Zone).

Aviation Development Zone (ADZ)

A specific incentive program which Boyd Group International believes the Town of Erie should immediately pursue is designation of the Airport and the land identified for the Airport Business Park as an Aviation Development Zone (ADZ).

This program provides income tax credit of \$1,200 per employee for new employees of aircraft manufacturers in these zones. Aircraft manufacturer means a business involved in the production or aircraft parts specifically used in the manufacture of aircraft or a business involved in the development of a proof of concept or prototype aircraft, a test and evaluation aircraft, a certification aircraft, or a production aircraft. The program does not include businesses or portion of a business involved in aircraft maintenance.



Designation of Erie Municipal Airport as an Airport Development Zone should be pursued immediately.

⁷² The State of Colorado website recommends consulting the Regional Field Manager for the Colorado Department of Local Affairs prior to submitting an application. Contact information for the North Central region is available at: http://dola.colorado.gov/dlg/fs/index.html#north_central

7. Success Measurement & Metrics

Given the essential “green field” nature of the EIK opportunity, success measurements should be easily measured. These should be based on three metrics: revenue, job-creation, and economic impact.

Revenues are easy to measure. Job-creation is relatively easy to measure, with careful discrimination between job-transfer from other businesses in the Town, and those actually created or added to the Town rolls.

Economic impact is an often slippery data set. First, the determinations are somewhat subjective, and second, the “impact” is often not entirely within the Town or county.⁷³ Nevertheless, any increase in economic impact due to the development of EIK does indeed benefit the Town, and it can be assumed that while a percentage of that impact is registered in other parts of the region, much of it is retained locally.

Airport Revenue Streams

This is the most observable metric, but to state the obvious:

1. The restructuring of the through-the-fence fee system will provide an immediately-measurable metric on which to gauge “success.”
2. Depending on the development option(s) pursued, the additional revenues from facilities such as tie-down space can be identified and the specific ROI calculated.
3. Revenues from recruitment of additional businesses to the Airport will also provide a guide in regard to both income and ROI.

Once a basic set of development options are decided upon, there should be project goals and objectives in regard to Airport revenue generation, based on project timelines.

Job-Creation

It is a basic tenet of this project that the Erie Municipal Airport is in existence to foster economic growth that results in increased employment.

This is the reason that economic development efforts and projects at the Airport and its adjacent acreage must be engineered to recruit and/or create net-new jobs, instead of cannibalizing them from other parts of the Town of Erie. All things equal, it is of no benefit to put up a light industrial building that is ultimately occupied by a machine shop that’s merely moving from another location in the Town.

⁷³ For example, the new job results in the employee being able to buy a new car. But the dealer is in Westminster or Boulder or Golden. Nevertheless, the economic impact of EIK does strongly affect and benefit the Town of Erie.

Therefore, the approach to this metric must be generally along the following lines:

- Net-new employment created at and within the Airport zone.
- Percentage of these new jobs that is "imported" into the Town from other areas, or that is simply created.
- The percentage of the employment base at the airport that is estimated to have been shifted from other jobs within the Town. These are on the surface one-for-one transfers, but an increase in the quality of the jobs (read: higher-paying) represents a net-new benefit to the Town,
- The income shifts (presumably up) represented by the higher-quality jobs created at the airport. This is a metric to measure the benefits accruing to the jobs that are transferred from other parts of Town.

These effects can be estimated on an on-going basis. They can also be forecast based on known factors, thereby giving the Town a general methodology to forecast the relative value of one development option over another.

Economic Impact Measurements

The Town of Erie is relatively small. Therefore, much of the commercial activity (buying goods and services, etc.) is done outside the Town. This leads to the inevitable conclusion that, at least in the near-term, much of the economic impact of the development of the Airport will accrue to other parts of the Front Range.

Nevertheless, economic impact is an important measure of the veracity of the Airport project. The actual data-gathering for the study process provides valuable information, and the ultimate conclusions give hard data as to the progress of the project.

There is already a baseline impact study done that estimated that EIK contributes \$12 million to the economy of the state of Colorado. As the development project evolves, it is recommended that the Town accomplish an economic impact study once yearly.

Typically, however, an economic impact study is costly.⁷⁴ Boyd Group International would recommend that the Town utilize the services of a community college to accomplish the task, and have the same institution do so annually to assure continuity of assumptions. This can make the analyses very cost-effective.



The most meaningful way to quantify the benefits of the Airport to the Town of Erie is through an Economic Impact Analysis.

⁷⁴ As a reference point, these studies can cost anywhere from \$9,000 to \$25,000 for an airport similar to Erie Municipal Airport.

8. Implementation Plan

In this section, Boyd Group International has provided a plan for implementing the recommendations in this Study. It is important to note that these plans are subject to actions of outside entities, including those of a potential airport management firm/partner. As such, many of the implementation plans are subject to significant variability.

Airport Management Firm RFP

The first priority should be development of a Request for Proposals (RFP) for airport management firm to implement those recommendations that the Town of Erie desires in this Airport Economic Development Study.⁷⁵ Boyd Group International would be honored to assist in preparation of the RFP and evaluation of responses, which we believe should, at a minimum, include:

- Background information on the experience of the responding firm and specific principals that would be assigned to Erie Municipal Airport, including all aeronautical related experience.⁷⁶
- Details on similar management contracts entered into, as well as projects similar to the expanded tie-down area and Airport Business Park, as applicable.
- A requirement and plan to replace the existing FBO Terminal Building, including preferably conceptual renderings.
- The RFP should include a stated preference for the management firm to develop the Airport Business Park concept and the hotel along Highway 7, and request specific plans for implementing such, including conceptual renderings.⁷⁷
- An explanation of alternative development strategies, if any, that the respondent believes could improve the overall economic benefits to the Town of Erie, including which recommendations the respondent implicitly agrees or disagrees with.
- Development of an independent set of projections of Airport revenues and expenses under their management, including proposed payments to the Airport Enterprise Fund of monthly fees and/or profit sharing.

What the town needs is an experienced partner that is not afraid to disagree with specific findings in this Study.

The partner needs to speak up and offer alternatives, when appropriate and when they can generate higher revenues for both the management firm and the Airport Enterprise Fund.

⁷⁵ We would suggest that Study be included in the RFP package and would invite respondents to offer differing development strategies in their responses if they believe such can produce stronger returns both for themselves and the Airport Enterprise Fund.

⁷⁶ Respondents should be required how they intend to address any perceived deficiencies in aviation/aeronautical experience (i.e., strategic partnership).

⁷⁷ Note that the state preference does not equate to a requirement and we have recommended below that a concurrent effort be made to market the Sectors C and G for hotel development.

The RFP be sent to the identified airport management and business park development firms provided in the Appendices to this document, as well local developers of business parks. The RFP should also be posted on the website of airport trade organizations such as the American Association of Airport Executives (AAAE) and Airports Council International (ACI), and in trade journals such as *Airport Business*. The objective is to maximize the number of competing proposals from qualified organizations.

We would recommend that this occur within the next 60 days, that respondents be given a minimum of 45 days to prepare a detailed response, and that a decision be made within 30 days of the response deadline. Upon BoT approval of the recommended bidder, contract negotiations will likely take a minimum of a few weeks (possibly months) and thereafter it will likely require FAA concurrence prior to final approval by the Board of Trustees. Conservatively, we estimate this process could take up to one year.

Promote Highway 7 Frontage for Hotel Development

Concurrent with the preparation of the management firm RFP, we would recommend that Town staff work with the owners of Sectors C and G to promote the lands as recommended sites for Hotel development.

The timing of actual development will in part, however, be determined by overall economic conditions, speed at which necessary infrastructure can be connected to the sites, and a final determination on the rerouting of State Highway 7.

Airport Layout Plan Adjustments

Following execution of a contract with an airport management firm, that firm and the Airport Advisory Board should prepare new Airport Layout Plan for submittal to the FAA that includes, at a minimum, plans for the new FBO Terminal, removal of Runway 9-27, and additional tie-downs.⁷⁸

This would represent the final commitment of the airport management firm to specific development on and around the Erie Municipal Airport over a certain period of time. It would also be the “sunset” event for the Airport Advisory Board.

On Airport Improvements

Whether future management of Erie Municipal Airport is contracted to an outside firm or functions as a hybrid of the current management structure, we recommend the following targets be set for on-airport improvements:

⁷⁸ Airport Layout Plans require the services of a professional engineering firm and we would recommend that the management firm have the option of using the Town’s existing firm, utilize an alternative firm, or (if capable) their own internal resources. Regardless, in view the expense of amending the ALP and shepherding the document through FAA approval should fall on the firm.

Timing of improvements to the Coal Creek crossing may be "paced" by construction of the planned trail system.

- **Airport Tie Downs:** It is recommended that Phase I of airport tie-downs be completed within five years, and Phase II with 10 years.
- **FBO Terminal Building Replacement/Improvements:** Construction of modifications should be completed within two years following effectiveness of an airport management contract, or determination that such cannot be reached and that Vector Air the FBO would continue to occupy the existing building.
- **Replacement of Coal Creek Crossing:** Recommended to occur within the next three years to facilitate additional Through the Fence revenues from the Airport Business Park inside of five years, or concurrent with the construction of the trail system along Coal Creek, whichever occurs first.

Appendices

Appendix A: Survey Forms & Responses

Survey Form

Erie Municipal Airport Economic Development Study Open House

Boyd Group International is conducting an Economic Development Study of the Erie Municipal Airport on behalf of the Town of Erie. The study will include: an assessment of the Erie Airport Economic Development Study Area (airport and adjacent property that is predominately zoned "Light Industrial") with regard to what types of development it will support; an assessment of current and proposed surrounding land uses within the Study Area to determine what types of development could be supported; and an assessment of possible public funding mechanisms to expand infrastructure to open more of the property for development.

Input from airport tenants and users, stakeholders and the community is vital to the study and important to maximizing economic development and enhancing quality of life in the Town of Erie. We very much appreciate your attendance at this open house and your input.

PART 1: PLEASE TELL US ABOUT YOURSELF (circle the answer that best describes yourself)

1. Where do you live?

Erie Air Park	Vista Ridge	Anthem Highlands
Erie (Old Town)	Lafayette	Other: _____
2. Are you a pilot? (If no, please skip to question #6) YES NO
3. Do you own an aircraft? (If no, please skip to question #6) YES NO
4. Is your aircraft based at Erie Municipal Airport (If no, please skip to question #6) YES NO
5. Where is your aircraft stored?

My home/hangar at Erie Air Park	Tie-Down on Airport	Hangar on Airport
---------------------------------	---------------------	-------------------
6. Do you own or work for a business based on or adjacent to Erie Municipal Airport? YES NO
(If NO, please skip to Part 2)
7. Name of Business: _____
Nature of Business: _____

PART 2: PLEASE SHARE YOUR PERCEPTIONS OF THE ERIE MUNICIPAL AIRPORT

(TOWN OF ERIE RESIDENTS/BUSINESSES ONLY: circle the answer that most accurately reflect your opinions)

- | | | | | | |
|--|---------------|-------------------|-------------------|----------------------|----------------------|
| 1. Much like a library or community center, the airport is a vital part of the town's infrastructure | No
Opinion | Strongly
Agree | Somewhat
Agree | Somewhat
Disagree | Strongly
Disagree |
| 2. The airport contributes to the quality of life in Erie | No
Opinion | Strongly
Agree | Somewhat
Agree | Somewhat
Disagree | Strongly
Disagree |
| 3. The airport <u>currently</u> makes a positive economic contribution to the town | No
Opinion | Strongly
Agree | Somewhat
Agree | Somewhat
Disagree | Strongly
Disagree |
| 4. The airport makes little difference to me with regard to where I live or work | No
Opinion | Strongly
Agree | Somewhat
Agree | Somewhat
Disagree | Strongly
Disagree |
| 5. The airport represents a greater economic opportunity for the town than is currently being realized | No
Opinion | Strongly
Agree | Somewhat
Agree | Somewhat
Disagree | Strongly
Disagree |

PART 3: Please provide your thoughts regarding the kind of economic development, business, improvements, etc. that you would like to see on or around the Erie Municipal Airport *(NOTE: Keep in mind that much of the land in the Study Area is zoned as light industrial and there are limitations as development must be compatible with airports).*

PART 4: What do you perceive as barriers to the airport realizing its true economic potential? (i.e., infrastructure, access, available funds, etc.)

PART 5: Please provide any other thoughts or comments that you think might be helpful in ensuring that Erie Municipal Airport maximizes its economic contribution to the town.

Thank you for your participation. Please give this form to a representative of Boyd Group International or fax to (303) 339-4932. You may provide additional comments via email to info@aviationplanning.com. Please put "Erie Airport" in the subject line.



Responses to Parts 3-5

Part #3: Please provide your thoughts regarding the kind of economic development, business, improvements, etc. that you would like to see on or around the Erie Municipal Airport *(NOTE: Keep in mind that much of the land in the Study Area is zoned as light industrial and there are limitations as development must be compatible with airports).*

"Avionics shop, another aircraft maintenance facility, aircraft interior shop, restaurant."

"Development (commercial & light industrial) on and adjacent to the field, perhaps in a special tax district with the airport (rather than the general fund of Erie?) is the primary need. Available services will bring the planes for hangars."

"A small restaurant with a view of the airplanes landing and taking off would be nice."

"I will soon need a hangar for the airplane that I am building. An economical hangar at Erie Air Park will be important to me."

"There seems to be little opportunity other than aviation related business because of the airport's proximity to the available developable land. City services are a good fit, that is parking areas for equipment, garbage trucks, snow plows, mowers, backhoes, dump trucks and the like. Any aviation type business. Auto body shops and equipment repair firms."

"The Town needs to adopt a receptive attitude towards the airport."

"Restoring the runway 9/27 could restore our ability to backcountry and STOL [Short Take-Off and Landing] ops training like we did before."

"More hangars, new FBO, aviation related businesses (balloon rides, etc.)."

"Light industrial, manufacturing, corporate [aviation?]"

"Available property for businesses, IMP [?], etc."

"Pilatus completion facility/heavy aircraft maintenance/avionics/paint & interior. Aviation type businesses should be the 1st priority. Then other commercial/industrial businesses could be adjacent to airport land."

"Aviation related/businesses compatible with aviation."

"I think there is tremendous potential. People could fly into Greely in large numbers every weekend for food (restaurant) and other aviation related activities (avionics shops, etc). Likewise, Centennial & JeffCo have tremendous food and facilities. We can attract more businesses by giving incentives to grow the airport with proper leadership."

"More convenient rental car agencies."

"I don't condone more air traffic or businesses that would bring that about, but I do feel there is ample room at the Airport for land based commercial or industrial business and believe it should be promoted."

"Any aircraft support company would be very beneficial, as the industry creates high paying jobs and therefore demand for housing, retail and other tax generating activities. I can't understand why the Town hasn't been more active in pursuing the infrastructure (sewer, bridges, signage) necessary to create the economic critical mass!"

"If runway 9/27 was reopened there would be much more economic activity at Erie [Municipal Airport]."

"Attract more traffic, include a restaurant and small hotel at airport in cases of inclement weather stranding GA pilots. Comfortable waiting area with DVD rentals on one or two TV screens (for waiting). Possible 1-2 boutique shops (bookstore, gift store). Car rentals for travel to Rocky Mtn Nat'l Park, Denver, Wyoming."

"Provide more airport related services such as food, local transportation options."

"How about a restaurant nearby the airport and surrounding developments?"

"On field offices and restaurants."

"Non-aviation related commercial [business/industry?]"

"We've lost untold business because of the lack of east-west runway. Not only pilots who would buy gas & services, but businesses who would have located here."

"I would like to see the airport gone - too noisy and dangerous, too close to dense residential. How about a brewery or hockey rinks, or indoor sports or music/theater event center. Open space or park with lots of trees. Education center or community college, waterpark/snow park, hospital or medical center."

"Airport Restaurant with a sewage hookup to Lafayette treatment plant. expanded ramp space for another aircraft maintenance facility."

"A restaurant, additional businesses related to airport activity like radio shop."

"Improve the aircraft movement areas to attract more aircraft rentals."

"Executive condo's w/ attached hangars/Charter air service/Forest Fire Support/Air courier services/Aviation maintenance & specialties avionics, transponder/auto rental/restaurant/hotel."

"With positive support from the Town of Erie and the airport management the airport has the potential to support aviation businesses and non-aviation services to airport users and the town of Erie, ie. Restaurant, car rental, lodging, local attractions. My family and I have visited many airports and purchased services as they were destinations. Pueblo, CO for the museum, Greeley, CO for the restaurants, Steamboat Springs for the area."

"09/27 Runway reopened for further traffic (aircraft)/lengthen 15-33 runway for larger aircraft/restaurant at the airport/more aircraft hangars/better looking FBO building for public viewing/New airport sign at entrance on Hwy 7."

"Airport restaurant would be good, along with light industrial or storage facilities (including hangar space)."

"More public hangars on the west side of the airport"

"Aviation related repair shops/sales such as paint shop, radio repair shop...You already have an great mechanic shop on the field."

"A restaurant on field or within walking distance would bring in pilots from surrounding areas. Offices, with or without hangars for companies that have aircraft for business travel that can support the airport by buying gas and using onsite repair facilities."

"Light industrial or corporate office, either with the need for an airport including the ability to have their own aircraft and access to the airport"

"Ideally, aviation related; but, that is limiting. Any light industrial."

"Aviation based/light assembly"

"Crosswind runway so that the airport is usable during the winter months."

"There is huge potential to attract business development around the airport – why doesn't the city [Town] pursue this? It could be fantastic economic growth for the city [Town]."

"A restaurant."

"Better airport management from the city [Town] (someone who realizes economic possibilities of the airport)."

"I would like to see the Town of Erie re-open Runway 9/27, the "crosswind" runway. I feel that the closure of the runway seriously impacts existing businesses and I believe it is a deterrent to new businesses locating to Erie Municipal. The crosswind runway has been presented by the Town of Erie as a runway that is used when the winds are blowing in an "unusual" direction. During the late fall, winter and early spring, the winds actually favor 9/27 the majority of the time. The lack of 9/27 impacts the arrival and departure of aircraft during those times. If an aircraft can't land, then the occupants of the aircraft can't spend their money in the Town of Erie."

"I don't know what type of benefits the Air Park can bring – but would be interested in learning more."

"I'm not familiar with the specifics surrounding the Erie Municipal Airport, but have a few suggestions. I thought it may be useful to have an area for parts for aircrafts that would possibly draw more aircraft to the area. Another idea is adding additional catering options for flights coming in and out of the airport."

"Clean, non-polluting and quiet businesses that serve the larger Erie community, not just the Air Park would be strongly preferred."

"We would like to see the area surrounding the airport remain as much open space as possible. Development right next to the existing buildings is OK, but don't expand into open space."

"Airport restaurant would be a nice addition, providing a destination for remote-based pilots. Addition of new hangars and presence of the museum are positive developments. I am a strong supporter of the Erie Airport community and wish to see further development."

"I like the airport and feel it is underutilized. I hear the planes over my home, but don't mind them because they tend to be small. I would not large aircraft flying overhead. I feel having an airport close by is an asset."

"Use for light industrial"

"Doggie daycare"

In Part 4: What do you perceive as barriers to the airport realizing its true economic potential?

"Yes, yes and yes. Especially town sewer throughout."

"Questionable financial statement and projections"

"Thru the fence fees not paid and blocking future operations will prevent future fees. If only requests the fees in use then some will come back. Permanently blocking the fees makes no sense at all. Will ignoring all the fees support the airport?"

"Why do we need this airport? it was ok when Erie was undeveloped...but now it's just a source of noise and potential danger for surrounding developments...we need to get rid of it and use the area for economic development."

"THE AIRPORT IS ALMOST SELF SUSTAINING NOW. IF THE ECONOMY DOES RECOVER THOT WILL ONLY HELP THE STABILITY OF THE AIRPORT. UNFORTUNATLY THE ACTUAL LAND THE TOWN OWNS AROUND OR AT THE AIRPORT IS LIMITED AS TO GROWTH. THE CROSS WIND MAY ADD SOME AREA IF CLOSED AND DEVELOPED, BUT UNTILL THERE IS AN ACTUAL PLAN AND DEVELOPER OR SOMEONE READY TO REALLY SHOW HOW MUCH OR IF THAT DEVELOPMENT WOULD INCREASE THE SUSTAINABILITY OF THE AIRPORT THE OPTIONS SHOULD BE LEFT OPEN. THE TOWN SHOULD TAKE NO ACTION THAT WOULD MAKE THE RUNWAY NOT AN OPTION. THE LAND AROUND THE AIRPORT SHOULD BE DEVELOPED WITH THE ADAVANTAGES THE AIRPORT MIGHT OFFER TO ANY BUISNESS OR INDUSTRY THAT COULD BENIFET FROM IT. UNFORTUNATLY THE TOWN MAY NOT SEE ACTUAL DOLLARS IN THE BANK (SALES TAX ETC.) THE BENEFIT GOES BEYOND THAT. SIMALAR TO A PARK, LIBRARY,BALL FIELD, OR ANY OTHER PUBLIC FACILITY SOME TIMES THE BENIFIT HAS A COST NOT A PROFIT."

"We need the town administration to support the airport, not put up roadblocks. No business is going to want to locate here and have to put in their own septic system."

"If, as I understand, the airport is not currently 'paying its way', why should any more public money be spent on trying to 'make it contribute more income to the town? With both governmental and personal budgets incredibly tight, and the economy in bad shape, why does anyone think that spending more money to 'improve' the airport will bring in more revenue? If the obviously very well-off residents in the Air Park (they can afford expensive 'toys' like personal airplanes) think that expending funds in the hope (vain, I think) that more income will accrue, why don't they buy the airport from the town and use their own money to gain all that supposed income for themselves. After all, since they have been the recipients of a town financed subsidy for their expensive hobbies, they should have plenty of money with which to buy the airport, which would then not be a drain on the town."

"The town of Erie!!! The Town Administrator & Mayor do not want his airport to exist."

"Infrastructure/ town admin/\$\$"

"Airport not being run properly"

"Infrastructure bridges, sewer, water, the town needs to invest in these things in order to create jobs and tax revenues"

"Erie administration & [Town] Administrator. They don't understand or make use of the potential of the airport. Infrastructure (lack of sewer system) is huge detriment to businesses enlisting to develop on or near the airport."

"Sewer & water to west side. Creek interference. Town's lack of support for recent proposals from businesses wishing to locate at the airport."

The city Administration's lack of understanding and commitment and expertise & vision. Infrastructure. Funding mechanism in weak credit market."

The current Mayor/Board [of Trustees]. They have stifled almost all proposals. They create unrealistic expectations for privatizing the FBO. They've had numerous businesses move elsewhere (parts dealers, aircraft painters) due to ridiculous barriers. They have a town administrator running an airport when he lacks the knowledge & commitment to do it."

"Infrastructure (sewer)"

"A safer access off Highway 7 is needed. The lack of crosswind runway. Countless pilots have told me they would base and hangar at Erie if 9/27 was operating."

"Surrounding area infill & noise pollution."

"No east-west runway. Town's bullheaded non-comprehension of airport & how it works."

"The closing of 9/27 runway."

"Town politicians centering on the manager [Town Administrator] and the Mayor."

"Town of Erie/access & zoning/funding/taxes"

"It does not appear the Town of Erie and airport [Town?] management are supportive of the airport, FBO, or businesses. When the airport existence appears threatened, businesses are reluctant to locate there and provide services. To me the town's lack of support and threatening attitude are the greatest barriers to positive economic potential."

"Improve County Line Road, and interchange at Highway 7. Get the cross winds runway open."

"The helicopter ambulance saved a friends life after an auto accident - thank you for providing that service!!!"

"City [Town] of Erie manager [City Administrator] and Mayor and town council [Board of Trustees] lack of knowledge about airports."

"Town Staff/Airport Advisory Board/ Board of Trustees – relationship & interaction. Town staff & BOT do not take input from AAB."

"Poor economy and Erie government should market the airport to potential investors and businesses."

"Available funds. Runway 9/27 needs to be re-opened."

"Airport is unusable for many months over the winter because of strong west winds."

"Infrastructure is poor to attract businesses. If we had sewer system we could have a restaurant here & they would attract considerable customers. Access is poorly marked, unattractive, unmaintained, only single point access & you can't reach all businesses from that point – very dangerous intersections (airport & county line) need to be used to access both areas of business."

"Use of available funds from the city/ regulations from the city which are not helping the airport."

"Too many of the Trustees are connected with the airport and their judgment is very skewed due to that connection. They do not represent the majority on the citizens in Erie."

"The helicopter ambulance saved a friends life after an auto accident - thank you for providing that service!!!"

"I would like to see the Erie Airport become more of a "destination" airport. Right now, not only does that airport have three flight schools as well as an award-winning maintenance facility, we have the wonderful Spirit of Flight Museum. I think the Town should seriously consider a restaurant. We currently have a lot of pilots who fly out of KEIK [Erie Municipal Airport] for breakfast or lunch. Adding a restaurant would certainly give pilots in the area an additional "\$100 Hamburger" destination and our pilots a place to meet and socialize. My husband and I fly out for meals regularly and, as a rule, we usually buy fuel wherever we are as well."

"The airport is a wonderful base to build a light industrial base - there is a small base there already. Rocky Mountain Propellers and Aero Systems already do a lot of international work and Vector Air draws aircraft service business from all over Colorado and has many customers in each surrounding state."

Growth & development adjacent to [airport] property. Multi-government influence."

"First the Town should support those businesses that are already on the airport with sustainable leases, etc. Light, clean manufacturing would be a good use of the airport."

"With the proper support and attitude from the Town of Erie Board, various aspects of the airport could be developed to generate further economic advantages for the Town. The Town of Erie realized that the Tri-County Airport was a good business opportunity when it supported its development in the 1970s. With the development of the airport and the various buildings (FBP, hangars and Convair Restaurant), the Town began to collect enough sales taxes and fees to have a positive budget -- the airport businesses during those times provided the largest sales tax revenues to the Town. The airport can continue to provide the Town with this type of financial support as it has since its beginnings in the 1970s through continued commercial development and use of the airport hangars and associated businesses. This type of development requires a positive attitude from the Town of Erie Board, something that has been in very short supply with the current administration. To this end, the east/west runway should not be closed down to develop hangars or other buildings as has been proposed by the Board. Instead, the promised money provided by Vista Ridge to improve the east/west runway should be used for this purpose. These monies were paid to the Town, who has used them for other purposes. These funds were promised to the airport for improvement of the east/west runway, so that the airport/Air Park would buy off on the development of Vista Ridge. The residents of the Erie Air Park supported the development of Vista Ridge based on the promise that the money for the east/west runway would be used for its improvement -- this improvement would bring additional interest and businesses to the Airport directly and to the Town of Erie indirectly. The Town of Erie Board has shown that it does not live up to promises on this issue as well as others. It would behoove the Board to support the airport and its residents (part of the Town of Erie) by communicating with the Air Park HOA and Airport Advisory Board to come up with ideas that can support this very valuable asset."

"The crosswind runway must be re-opened. The airport is losing to Boulder, Longmont and Jeffco because of infrastructure lack. Predominant westerlies necessitate an east-west runway. I know several businesses who specifically have not located at EIK because of this lack."

"If you want to attract aviation related businesses the first thing the city must do is to treat the airport as an asset in addition to it being an enterprise fund. I travel a lot in my plane and when I land at an airport I can tell very quickly how the community feels about their airport. Where it is obvious that it is valued there always seems to be several businesses on or near the field. The run down, neglected airports rarely have any businesses on or near them. On a scale of 1 to 10 Erie airport is about a 5."

"The airport is a money pit and should be shut down. The airports in Broomfield, Boulder and Longmont provide necessary services for airplanes. The Erie Airport is an elite club being supported for airplane owners at taxpayer's expense and should be shut down."

"I do not get the impression that the Town of Erie realizes the potential of the airport. I believe if businesses are considering relocating to the airport, the apparent lack of interest by the airport management is a serious deterrent to a business's decision. Just the fact that there is not an airport manager on site tends to send the message that the airport is an inconvenience rather than an asset to the community."

"Lands surrounding the airport could be limited."

Part 5: Please provide any other thoughts or comments that you think might be helpful in ensuring that Erie Municipal Airport maximizes its economic contribution to the town.

"Can provide a lot of info on the undeveloped parcels within the airport perimeter."

"I feel the airport should not ever be a drain on the town's resources as it mostly serves the few in the Air Park that use it and others that fly in and fly out without patronizing any other of the town's businesses. Would this development zone provide more income to the town if the airport wasn't there and thus the development limitations be removed? I really don't know how the airport contributes to the town's overall economic growth, but assume it to be limited."

"With the crosswind runway 9/27 blocked increases the risk for people flying and dramatically reduces the popularity of the airport. This area has more heavy west winds than most airports (except Wyoming). I want to support the town, but my highest priority is safety for everyone not money."

"I recommend the Town of Erie actually send through the fence invoices and collect fees. This in & of itself would create huge revenue! Instead they currently are not allowing us to pay these fees, thus creating a self-fulfilling prophecy that the airport isn't sustainable."

"More open positive meetings for input & ownership in future development"

"I would like to see more commercial and retail business. The vacancy rates for "Light Industrial" concern me. We need business diversity. The flyover safety concern has been overplayed."

"Carefully manage the balance between economic opportunity/gain and rural life style of existing residential area. This balance is what makes us unique."

"I like the airport as a small and personable part of our community. Making it larger and inviting bigger aircraft would add noise and decrease the pleasantries of living in this area. Development along 7 would be fine as long as the neighborhood does not become a passageway! Thanks!"

"More meetings & action like this one!!"

"Show a supporting attitude & be proud of the airport. It's a unique amenity that most towns don't have. Pride & support would go a long way."

"Airport authority to manage potential and develop a short and long range plan/take planning administration out of city [Town] authority."

"They have refused to accept through-the-fence fees when people try to pay. They don't consistently have a process to bill or collect and then when people volunteer to pay... they refuse to take it. Charge everyone based on their location/access and get a better process."

"I am a student pilot at Skyraider aviation. Many days I cannot fly because of crosswinds. My instructor does not earn money. The school does not make money. No fuel is sold so the city [Town] loses revenue."

"Control development densities in the surrounding area."

"Open the E-W runway. Stop the thru-the-fence non-acceptance."

"Town is killing airport by not accepting thru-the-fence fees."

"More funding for runway improvement."

"Open the crosswind runway!"

"This study by the Boyd Group is a good first step."

"Make city [Town] employees promote airport, make the airport a resource for advertisement into the city [Town] of Erie."

"Lower fuel prices/more local school support for aviation, etc."

"Combines with #4 – the city's [Town's] lack of support and desire to improve, grow, solicit business relocation, etc. needs to be overcome."

I think the Town should give considerations to the overall appearance of the airport. With improved signage at Highway 7 and major improvements to the existing building and ramp area, the Erie Airport could shine."

"I'd like to see the ideas that exist – no preference for any type of development."

"It would help if the [Airport] advisory board became cooperative in dealing with issues affecting non-Erie residents."

*"The questions asked in this survey are difficult to answer as a non-user of the airport. Those of us who live in the area of the airport may not be using it (ie., pilot). As far as the economic revenue it brings to the town, that is an unknown - if those numbers can be shared with the townspeople, that would help us in understanding the positive impact (financially) that the airport has on Erie. Beyond that, I don't see the airport as becoming a larger entity, nor do I see additional development around it as a smart move -as is stated in the survey, there are limitations. I also don't believe that those of us who live near the airport would *want* it to become larger than it is."*

"STOP. Just stop. There is already a regional airport just a short hop away in Broomfield, and no need to try to duplicates services. Even if you succeed, all you will end up doing (beside lining your own pockets) is decreasing property values & upsetting your citizens, due to the increased noise levels. We already get buzzed daily by pilots who ignore the noise abatement corridors, not to mention the helicopter pilot who like to hover at 50 feet over Erie Parkway to wave hello to his friends/family (I've also seen the same helo land at County Line Rd. & Austin so he could run in for some beer!). I'm a pilot and 100% AGAINST further development or expansion of the current operation."

"Please, no development that would diminish quality of life for those of us living in the Air Park."

"None, the area is over built."

"Less helicopters circling and hovering around the airport runways."

"The Erie Airport and surrounding land, it's adjacency to the airport and proximity to other municipalities, makes it a prime location for more bike trail connections, open space access, "open space" soft surface trails, etc. In addition, a stoplight is very much needed at county line road and highway 7 (please). In addition, I would hope that any future transportation improvements would consider pedestrians and cyclists (ex: When re-doing a roadway, make it wide enough for a dedicated bicycle lane)."

I have family that fly into the airport when they visit. From that perspective, I'd appreciate a secondary entrance to the airport (entering/exiting from Hwy 7 is often quite difficult) and airport-owned indoor short-term hangar space rental (as opposed to tie-downs)."

"My opinion is that the air traffic and noise from the airport are detrimental to the quality of life in Erie."

Appendix B: Prospective Airport Business Park Tenants

The table below provides prospective companies and businesses to target for the Airport Business Park.

It is important to note that the list is not simply a an inventory of aviation and other businesses at surrounding airports, but rather a focused list of those businesses which we believe could reasonably be attracted to an Airport Business Park located adjacent to Erie Municipal Airport, either as part of a business relocation or expansion. Equally as important, the list is not intended to be all-inclusive.

Name of Company	Type of Business	Current Location
Aviation Maintenance, Modifications & Parts Manufacturing (Aviation-Related Light Industrial)		
Advanced Aerotechnologies	Avionics Repair & Installation	Greeley-Weld County Airport
EK Composites	Composite Manufacturing & Repair	Front Range Airport
Denver Avionics	Avionics Repair & Installation	Centennial Airport
Immaculate Flight	Mobile Aircraft Detailing	Centennial Airport
Aircraft Cylinders and Engines	Aircraft Maintenance	Greeley-Weld County Airport
Precision Propeller Service	Propeller Overhaul & Repair	Greeley-Weld County Airport
Air Harness, Inc.	Aircraft Electrical Harnesses	Rocky Mountain Metropolitan Airport
Thorson Aviation	Aircraft Sales & Detailing	Rocky Mountain Metropolitan Airport
Share Office/Executive Suites		
Airport Development Group	Airport Consulting	Denver - Cherry Creek
Gardner Agency	Aviation Insurance Broker	Lakewood
Airworthy Pilot, LLC	Aircraft Ownership Cooperative/Aircraft Sales	Lakewood
Transport Risk Management	Aviation Insurance Broker	Conifer
DuPont Crop Protection/Thomas Harkin	Crop Spraying Supplier	Lakewood
Maxim Aviation Company	Pilot Services	Boulder
Aviation Management Consulting	Airport Consulting	Centennial
Aviation Training		
Aims Community College	Aviation Training - Community College	Greeley
Metro State College	Aviation Training - College	Denver
Embry-Riddle Aeronautical University	Aviation Training - Private University	Cheyenne, WY
Embry-Riddle Aeronautical University	Aviation Training - Private University	Denver
Rocky Mountain Flight School	Pilot Training	Rocky Mountain Metropolitan Airport
Emily Griffith Opportunity School	Aviation Training - Maintenance	Front Range Airport
Redstone College	Aviation Training - Maintenance	Rocky Mountain Metropolitan Airport
Light Industrial/Light Industrial Office		
TWS Aviation Fuel Systems	Design, Build, Repair of Airport Fuel Systems	Front Range Airport
D&H Engraving	Metal Engraving	Rocky Mountain Metropolitan Airport
Roto-Rooter Plumbing & Drain	Plumbing	Various in Denver Metro Area
Porous Power Technologies, LLC	Laminable Battery Separators	Lafayette
AdamWorks	Composite Structures & Components	Centennial Airport
Professional Services/Mixed-Use Commercial & Retail		
Verizon Wireless (or other)	Cellular Telephone Service & Equipment	Various in Denver Metro Area
The Pilot Shop	Retail Pilot Supplies	Centennial Airport
Independence Aviation	Pilot Services/Aircraft Management/Flight Training	Centennial Airport
7-11 (or other)	Convenience Store	Various in Denver Metro Area
Quizno's (or other)	Store-Front Fast Food/Casual Dining	Various in Denver Metro Area
Law Offices	Legal Services	Various in Denver Metro Area
Accounting Offices	Accounting/Book Keeping/Tax Preparation	Various in Denver Metro Area

**Appendix C:
Potential Airport Business Park Development
Companies**

A list of potential developers/partners for the Airport Business Park is provided below. It is important to note that these represent companies that either specialize in, or have experience in, developing Airport Business Parks. That being said, we would recommend against limiting the search to these specific firms when seeking partner to develop the Airport Business Park at Erie Municipal Airport.

Company	Contact Information	Description
Kemp Development	3909 Airport Road Ogden, UT 84405 Tel: (801) 731-0615 www.ogdencity.com	Kemp Development was the lead developer on Ogden Gateway Center at the Ogden Airport. This includes a new executive terminal and extensive executive aircraft hangar facilities.
Hillwood	13600 Heritage Parkway, Suite 200 Fort Worth, TX 76177 Tel: (817) 224-6000 www.hillwood.com	Alliance Airport, developed by Hillwood Development Company, is a 17,000-acre master-planned, mixed-use community built around the Alliance Airport, Alliance Texas. Alliance is home to over more than 170 companies, over 27,000 employees and 6,700 single-family homes are included in this master-planned development.
Adler Group, Inc.	1400 NW 107 Avenue Miami, FL 33142 Tel: (800) 452-3537 www.adlergroup.com	Adler Group, Inc., one of the oldest and largest commercial real estate firms in the Southeast, plans for the development of a business park at Opa-Locka Airport in Miami, FL. The company will invest more than \$200 million to make Airside International Business Park a corporate community that offers facilities and services primarily to aviation-related companies. The company plans to pursue the construction of new commercial space, including hangar, office, industrial and retail structures, as well as hotel and parking.